



Maj R. C. Saunders
with compliments
of the author

LEGAL HISTORY

OF THE

Virginia Midland Railway Co.,

Bell's

AND OF

THE COMPANIES WHICH BUILT ITS LINES OF ROAD.

BEING AN ACCURATE COMPILATION OF THE MORE IMPORTANT LAWS,
DECREES, DEEDS, CONTRACTS AND OTHER PROCEEDINGS NECESSARY
TO A TRUE UNDERSTANDING OF ITS PROPERTIES,
RIGHTS, POWERS, AND FRANCHISES.

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PREFACE.

THE VIRGINIA MIDLAND RAILWAY COMPANY OWNS four hundred and five and one-half miles of track and extends from the Potomac, at Alexandria, to the North Carolina line at Danville, with branches to Harrisonburg, Rocky Mount and Warrenton, in the Piedmont district.

This road was built by different corporations, and the title to its several divisions may be traced respectively to the Orange & Alexandria; Manassas Gap; Orange, Alexandria & Manassas; the Lynchburg & Danville; the Virginia & North Carolina; the Washington City, Virginia Midland & Great Southern; the Franklin & Pittsylvania and the Charlottesville & Rapidan Railroad Companies, and, by a sale and purchase under an order of court, the properties, powers, rights and franchises of all these companies have been united into one reorganized corporation known as THE VIRGINIA MIDLAND RAILWAY COMPANY.

It is therefore necessary to a just appreciation of the value of its property, and a true understanding of its rights and franchises that there should be a compilation in some convenient form of the more important laws, decrees, contracts and proceedings under which they vested and whence they sprung. To that end the Company has caused this volume to be prepared.

There has also been added for easy reference, as an appendix, such extracts from chapters fifty-six, fifty-seven and sixty-one of the Code with amendments to date, as will show the law of Virginia in regard to chartered companies, corporations generally, and works of internal improvement.

LYNCHBURG, VA., April 1, 1881.

C. M. B.

HISTORY
—OF THE—
ORANGE AND ALEXANDRIA RAILROAD COMPANY,
FROM ITS ORGANIZATION UNTIL ITS CONSOLIDATION WITH THE
MANASSAS GAP RAILROAD COMPANY,
FORMING THE
ORANGE, ALEXANDRIA AND MANASSAS RAILROAD COMPANY.

The Orange and Alexandria Railroad Company was incorporated on the 27th of March, 1848, and its charter was amended the next year on the 6th of March. These acts of incorporation will be found at the close of this sketch.

The *First Meeting* of Stockholders of the road was held in the town of Warrenton, Fauquier County, Virginia, at the hotel kept by Alexander Baker, on Wednesday, May 9th, 1849, at 11 o'clock. It continued in session three days. Of this meeting Thomas Hill, of Culpeper, was Chairman, and Reuben Johnston, of Alexandria, Secretary. Eighteen hundred and ninety-four shares of stock were represented, of which the State owned four hundred and fourteen. At this meeting the following resolution was unanimously adopted:

"Resolved, That the Act of the General Assembly entitled 'An Act to amend the Act incorporating the Orange & Alexandria Railroad Company, passed March 27th, 1848,' be, and the same is hereby accepted; and that the Chairman and Secretary of this meeting certify the same to the Board of Public Works."

George H. Smoot, of Alexandria, was elected President of the Company, and *Henry Daingerfield* and *Dr. William L. Powell*, of Alexandria, were elected Directors.

The Company was duly organized under its charter and the general railroad law, passed March 11th, 1837.

By an Act, passed February 27th, 1849, the City of Alexandria was authorized to subscribe to the stock of the road.

A Called Meeting of the Stockholders of the road was held in the town of Warrenton on the 27th and 28th of December, 1849. From its proceedings and the report of the President it appears that *James H. Reid* was Secretary of the Company and *Thomas C. Atkinson* its Chief Engineer.

The Second General Meeting of the Stockholders of the road was held at Warrenton on the 3d of May, 1850. Thomas Hill, Esq., acted as Chairman and James H. Reid as Secretary. The old officers of the Company were re-elected and it was resolved that thereafter the meetings should be held in Alexandria.

A Called Meeting of Stockholders was held in Alexandria on the 5th of September, 1850, when the following resolution was adopted:

"Resolved unanimously, That this Company do hereby accept the transfer of the claim of Virginia against the Government of the United States for the sum of \$120,000 advanced to the United States by an Act of Assembly, passed 27th of December, 1790, upon the terms set forth in the resolution of the General Assembly of Virginia, adopted March 15th, 1850."

The Third General Meeting was held in Alexandria on the 29th of May, 1851. The same officers were elected. At this meeting provision was made for the construction of the Warrenton Branch.

The Fourth General Meeting was held in Alexandria, when Mr. George H. Smoot, having resigned the position of President, Jno. S. BARBOUR, Esq., was elected his successor, and Wm. L. Powell and Henry Daingerfield were elected Directors.

The Fifth General Meeting was held at Culpeper Court House, October 28th, 1852. The same officers were elected.

A *Called Meeting* of the Company met in Alexandria March 24th, 1853. At this meeting the following Acts of the General Assembly were accepted :

"An Act to authorize the Orange & Alexandria Railroad Company to extend its railroad to Lynchburg."

[Passed February 8, 1853.]

And

"An Act to increase the capital stock of the Orange & Alexandria Railroad Company and to authorize the Board of Public Works to subscribe, on the part of the State, for three-fifths of such increase."

The *Sixth General Meeting* of the Stockholders was held in Alexandria on the 27th of October, 1853. *Jno. S. Barbour*, Esq. was re-elected President and *Henry Daingerfield* and *Wm. C. Rives* were elected Directors on the part of the private stockholders. At this meeting Messrs. Robert Whitehead and Thomas Fitzpatrick, of Nelson County, and Robert A. Coghill, of Amherst, appeared before the Stockholders urging a prolongation of the road through those counties to Lynchburg.

The *Seventh General Meeting* of the Stockholders was held on the 24th of October, 1854, in the City of Alexandria. The old officers were re-elected.

The *Eighth General Meeting* of Stockholders was held in Alexandria on the 25th of October, 1855. Same officers re-elected.

The *Ninth General Meeting* of Stockholders was held at Alexandria on the 3d of October, 1856. Same officers re-elected.

The *Tenth General Meeting* of Stockholders was held at Alexandria, October 22d, 1857. Former officers re-elected.

A *Called Meeting* of the Stockholders was held in Alexandria on the 29th of April, 1858, at which meeting an Act of the General Assembly, passed March 25th, 1858, was accepted. Under this Act the third mortgage Orange & Alexandria Railroad bonds were issued.

The *Eleventh General Meeting* of Stockholders was held on October 20th, 1858, at Alexandria. At this meeting a third Director was added as an additional representative of the

Stockholders, and *Robert A. Coghill* was elected. Hence the Board then stood:—

President—Jno. S. Barbour.

Directors—Wm. C. Rives,	{ on part of Private Stock-
Henry Daingerfield,	
R. A. Coghill,	
Jno. Willis,	{ on part of State.
Henry Shackelford,	
Inman Horner,	

The *Twelfth General Meeting* was held in Alexandria, November 3d, 1859. Old officers re-elected.

The *Thirteenth General Meeting* was held in Alexandria November 22d, 1860. Former officers re-elected, except that *W. D. Hart*, of Albemarle, was substituted for Hon. W. C. Rives, who resigned.

The *Fourteenth General Meeting* was held in Charlottesville November 7th, 1861. Same President and Directors re-elected, except that *Jno. G. Meem* and *Eppa Hunton* were substituted as directors on the part of the State instead of Henry Shackelford and Inman Horner.

The *Fifteenth General Meeting* was held in Lynchburg November 6th, 1862. Old officers re-elected, except that *Wm. G. Cazenove* was substituted for Henry Daingerfield.

The *Sixteenth General Meeting* was held on the 13th of January, 1864, in Lynchburg. Same President and Directors, except that *Wm. H. Gaines* took the place of Eppa Hunton as State Director.

The *Seventeenth General Meeting* was held November 24th, 1864, in Lynchburg. Old officers re-elected.

The *Eighteenth General Meeting* was held in Alexandria November 29th, 1866. Old officers re-elected on part of private stockholders, to-wit: Jno. S. Barbour, President; Wm. D. Hart, R. A. Coghill, W. G. Cazenove and D. F. Slaughter. The State Directors were Jno. G. Meem, R. H. Cunningham and Lewis B. Williams.

A *Called Meeting* of the Stockholders of the Orange &

Alexandria Railroad Company was held at Alexandria on the 24th of April, 1867.

At this meeting, which was the last ever held of this Company under its name of "*Orange & Alexandria Railroad Company*," several important resolutions were adopted, which will be found set forth in the sketch of the *Orange, Alexandria & Manassas Railroad Company* which follows.

This meeting was called for the purpose of taking such steps as were requisite to a due consolidation of the Orange & Alexandria Railroad Company with the Manassas Gap Railroad Company.

The following Acts of the Legislature relate to the ORANGE
AND ALEXANDRIA RAILROAD COMPANY, and its Rights,
Interests and Franchises:

An Act incorporating the Orange & Alexandria Railroad Company.

[Passed March 27, 1848.]

"1. *Be it enacted by the General Assembly*, That for the purpose of constructing a railroad from Gordonsville, in the County of Orange, by the way of the Court House of that county to the Court House of the County of Culpeper, and from thence to the City of Alexandria, it shall be lawful to open books of subscription at Orange Court House, under the direction of Philip S. Fry, David Hume, Richard Rawlings, Lewis R. Williams, Thomas Scott and Thomas A. Robinson; at Culpeper Court House under the direction of Thomas Hill, Sr., George Thomas, F. J. Thompson, George Ficklin, John Slaughter, J. C. Hansborough and W. B. Ross; and at the City of Alexandria under the direction of Robert H. Miller, L. A. Cazenove, F. D. Smith, Robert Crupper, G. W. D. Ramsay, W. L. Powell and Robert Brockett, or any two or more of them, and at such other place or places, under the direction of such agents or deputies as a majority of the Commissioners at either of the above named places shall designate and appoint for that purpose, to the amount of ten thousand eight hundred shares of fifty dollars each, together with the subscription herein after authorized for the State, to constitute a joint capital stock to the amount of eighteen thousand shares, for the purpose of making the said railroad and for providing everything necessary for transportation on the same.

"2. *And be it further enacted*, That whenever five thousand four hundred shares shall be subscribed to and for the purpose aforesaid, the subscribers, their executors, administrators and assigns shall be, and they are hereby, declared to be a body politic and corporate under the name and style of '*The Orange & Alexandria Railroad Company*,' and shall be subject to all the provisions of the Act 'prescribing certain general regulations for the incorporation of railroad companies, passed March the eleventh eighteen hundred and thirty-seven; and whenever two thousand seven hundred shares of fifty dollars each shall be subscribed to and for the purpose of constructing the said road from Gordonsville by way of Orange Court House to Culpeper Court House, the computed distance of which is thirty miles, on the part of others than the Commonwealth, the Board of Public Works is hereby authorized and required to subscribe on the part of the Commonwealth for the remaining three-fourths of two-fifths of three hundred thousand dollars; and whenever three-fourths of three-fifths of three hundred thousand dollars shall be subscribed on the part of others than the Commonwealth, for the purpose of constructing thirty miles of the said railroad in the direction of Culpeper Court House, commencing at the City of Alexandria, the Board of Public Works is hereby authorized and required to subscribe on the part of the Commonwealth the remaining three-fourths of two-fifths of the last mentioned sum of three hundred thousand dollars. And as often thereafter as additional subscriptions shall be made to the stock of said Company by others than the Commonwealth, for the purpose of constructing the remaining portion or middle section of the said road, the Board of Public Works is further authorized and required to subscribe on behalf of the Commonwealth in like proportion to subscriptions by others than the State, until the whole amount of the capital stock shall be filled up, or a sufficient sum be subscribed for the purpose of constructing and completing the whole of the said road: *Provided, however*, That the Board of Public Works shall not sub-

scribe to any portion of the stock as hereinbefore provided for until said Board shall be satisfied that the subscription by individuals are subscribed by individuals solvent and fully able to pay. The said Board shall borrow the amount necessary for the payment of the above subscriptions agreeably to the terms of the Act passed April eighth, eighteen hundred and thirty-nine, entitled 'An Act authorizing loans for the payment of certain subscriptions and appropriations,' provided the bonds or certificates of stock to be issued under this Act shall not be sold for less than their par value.

"3. *And be it further enacted*, That the said Company shall have two years from the passage of this Act to commence their work at the western or northern terminus thereof, and ten years thereafter to complete the same.

"4. *And be it further enacted*, That it shall and may be lawful for the President and Directors of the said Railroad Company to contract with the proper authority for the carrying or transportation of the United States mail on the whole, or any portion of the said road, and upon such terms as may be agreed upon by the parties so contracting, and should there be any disagreement between them as to the terms and conditions upon which the mail shall be carried upon the said road, or any portion thereof, the subject of such difference shall be referred to the arbitration and decision of such person or persons as shall be appointed and designated by the Legislature for that purpose, whose award shall be final and binding upon the said Railroad Company.

"5. *And be it further enacted*, That in case any railroad shall hereafter intersect with the railroad by this Act authorized to be constructed, the Company of the last mentioned road shall carry the tonnage and passengers from the point of intersection to either terminus of the said road at the same rates per mile that they charge for the through tonnage or passengers.

"6. This Act shall be in force from the passage thereof."

This Charter was amended on the 6th of March, 1849, by an Act which reads as follows :

"An Act to amend the Act incorporating the Orange & Alexandria Railroad Company, passed March 27th, 1848.

[Passed March 6, 1849.]

"1. *Be it enacted by the General Assembly*, That the Board of Public Works be, and are hereby, directed to increase their subscription on the part of the Commonwealth, to the capital stock of the Orange & Alexandria Railroad Company, to three-fifths in lieu of two-fifths as authorized to be subscribed by the Act incorporating the said Company, passed March the twenty-seventh, eighteen hundred and forty-eight; and whenever one hundred and thirty-five thousand dollars shall be paid, or subscribed by persons or corporations other than the Commonwealth, solvent and able to pay, for the construction of the eastern section of the said road, the said Board shall subscribe on the part of the Commonwealth, for the sum of two hundred and two thousand five hundred dollars, for the construction of said section; and thereafter whenever individuals shall pay or subscribe, as aforesaid, fifty thousand dollars, for the construction of either of the other sections, the said Board shall subscribe, on behalf of the Commonwealth, for a further sum of seventy-five thousand dollars for such section, and from time to time in like proportion to individual subscriptions, until the whole capital of the Company is subscribed. That part of the said road described in the Act aforesaid as the middle section, and which extends from Culpeper Court House towards Alexandria, shall be placed, in respect to the time of construction and of individual and State subscriptions, upon the same footing with the other sections. The State subscription shall be paid *pari passu* with the private subscriptions.

"2. If the amount subscribed for the construction of any section shall be

more than sufficient for its construction and completion, the excess shall be expended by the Company in the continuous construction of the road.

"3. When one hundred and thirty-five thousand dollars shall have been subscribed by others than the Commonwealth for the construction of any one of the sections of the road, the said Company shall be incorporated and made a body politic.

"4. It shall be lawful, at the election of the subscribers interested, to transfer any subscriptions heretofore made for the construction of the section of the Orange & Alexandria Railroad, from Gordonsville to Culpeper Court House, to the section from Culpeper Court House in the direction of Alexandria.

"5. The Commissioners heretofore appointed to receive subscriptions to the capital stock of this Company, or a majority of them, are authorized to appoint, in their respective counties, an agent or agents to solicit and obtain subscriptions thereto, until the residue of the capital stock shall have been subscribed.

"6. And whereas this General Assembly is of opinion, that in the regulation of the rates of transportation of passengers, produce or property of any kind on the said road, there should be no discrimination in favor of the transportation either way: *Be it therefore further enacted*, That if the provisions of this Act shall be accepted by the said Company, the rates of charge for transportation from the central point of the road to either terminus, or for any part of the distance between the centre and either terminus, shall be the same per mile on the same subject or article, whether transported towards Gordonsville or Alexandria.

"7. The said Company shall have the further time of three years from the passage of this Act to commence their road, and ten years thereafter to complete the same.

"8. This Act shall be in force from the passage thereof."

"An Act to authorize the Common Council of Alexandria to subscribe to the stock of the Orange & Alexandria Railroad Company.

[Passed February 27, 1849.]

"1. *Be it enacted by the General Assembly*, That an Act, entitled 'An Act to authorize a subscription by the Common Council of Alexandria, upon certain conditions, to the stock of the Orange & Alexandria Railroad Company,' passed by said Council the 21 day of January, 1849, be, and the same is hereby, fully approved and confirmed, and the said Common Council is hereby authorized to subscribe for two thousand shares (being one hundred thousand dollars) of the stock of said Company; to borrow from time to time, on behalf of the Corporation of Alexandria, such sums of money as will be required to effect said object; to levy, assess and collect taxes, and to do every other act, and upon the terms and provisions, as the same are set forth in said Act.

"2. This Act shall be in force from its passage.

"Resolution transferring the claim of the State of Virginia against the Government of the United States to the Orange & Alexandria Railroad Company.

[Adopted March 15, 1850.]

"*Be it resolved by the General Assembly of Virginia*, That the claim of this Commonwealth against the Government of the United States for the sum of one hundred and twenty thousand dollars, advanced to the United States by an Act of the General Assembly, passed the 27th of December, 1790, be, and the same is hereby, transferred to the Orange & Alexandria Railroad Company, and that said Company be empowered to demand and receive the same, and the interest thereon; and when recovered of the United States the said Orange & Alexandria Railroad Company shall issue, for the net amount of such recovery,

certificates of stock in the Company aforesaid, as so much additional stock therein to the President and Directors of the Literary Fund, which shall be held by them to the use and benefit of the primary schools for the purposes of primary education in the Commonwealth."

"An Act to confirm the grant of the Common Council of Alexandria of the right of way through said town, and the privilege of using steam to the Orange & Alexandria Railroad Company.

[Passed March 22, 1850.]

"1. *Be it enacted by the General Assembly*, That the grant made by the Common Council of Alexandria, by an act passed the 16th day of November, 1849, to the Orange & Alexandria Railroad Company, to introduce, construct, and lay down a single track of railway, with the necessary turnouts, in any portion of said town beyond certain specified limits, and to use locomotive steam engines on any portion of their railway within the limits of the corporation of Alexandria, be, and the same is hereby confirmed.

"2. This Act shall be in force from its passage."

"An Act authorizing an increase of the capital stock of the Orange & Alexandria Railroad Company.

[Passed March 7th, 1851.]

"1. *Be it enacted by the General Assembly*, That the capital stock of the Orange & Alexandria Railroad Company be, and the same is hereby, authorized to be increased by the sum of one hundred thousand dollars, for the purpose of constructing a branch of their road from some convenient point on the main stem, in the county of Fauquier, to the town of Warrenton.

"2. As soon as forty thousand dollars of the increased stock, in shares of fifty dollars, shall be subscribed by the persons other than the Commonwealth, solvent and able to pay, the Board of Public Works shall be, and they are hereby authorized, to subscribe sixty thousand dollars on behalf of the Commonwealth.

"3. For the purpose of paying the subscription herein directed on behalf of the Commonwealth, the Board of Public Works are directed to borrow such sums as may from time to time be necessary, agreeably to the provisions of the Code of Virginia.

"4. This Act shall be in force from its passage."

"An Act to authorize the Orange & Alexandria Railroad Company to construct their road through the Public Lot of Orange County.

[Passed May 29, 1852.]

"1. *Be it enacted by the General Assembly*, That leave is hereby granted to the Orange & Alexandria Railroad Company to construct their road through the Public Lot of Orange County, (upon which the Court House of said county is located,) and to run their locomotives and trains upon the same. But the privilege herein granted shall not be so construed as to empower said Railroad Company to interfere with or disturb the site of any of the county buildings on said Public Lot.

"2. This Act shall be in force from its passage."

"An Act to authorize the Orange and Alexandria Railroad Company to extend their Railroad to Lynchburg.

[Passed February 8th, 1853.]

"*Be it enacted by the General Assembly*, That the Orange and Alexandria Railroad Company be authorized to extend their Road, from some suitable point on the Virginia Central Railroad, to connect with the Virginia and Tennessee Railroad, at the town of Lynchburg, and for the purpose of such extension, their capital stock be increased by the sum of Fifteen Hundred Thousand Dollars; *Provided*, the town of Charlottesville shall be a point in the line of their route.

"*Be it further enacted*, That it shall be lawful to open books for receiving subscriptions to the stock so increased at such places; and by and under the direction of such persons as the President and Directors of the Orange and Alexandria Railroad Company shall designate and appoint for that purpose, to the amount of thirty thousand shares, for the purpose of extending their Road as aforesaid, and providing the necessary equipment and fixtures for the same.

"*Be it further enacted*, That the said Company shall have the term of three years from the passage of this Act, to commence the extension, and seven years thereafter to complete the same.

"This Act shall be in force from the acceptance thereof, by the said Orange and Alexandria Railroad Company."

"An Act to increase the Capital Stock of the Orange and Alexandria Railroad Company, and to authorize the Board of Public Works to subscribe on behalf of the State, to three-fifths of such increase.

[Passed February 9th, 1853.]

"*Be it enacted by the General Assembly*, That the capital stock of the Orange and Alexandria Railroad Company be, and the same is hereby increased, by the sum of four hundred and twenty thousand dollars.

"That the Board of Public Works be, and they are hereby required to subscribe on behalf of the Commonwealth, three-fifths of the said increased capital stock: *provided*, that the payment of the Commonwealth's subscription shall be made *pari passu* with the payments of individual subscriptions; and that it shall be lawful for the Stockholders of the Orange and Alexandria Railroad Company, in general meeting assembled, to make the increased stock hereby authorized, or so much thereof as they may elect, a preferred stock, by guarantying a dividend of six per centum per annum for a fixed or indefinite period, on each share of stock, payable out of the net proceeds of said Road.

"The General Assembly hereby reserves the right of regulating the mode in which the freight cars of any road connecting with said Alexandria and Gordonsville Railroad, shall be transported over the track of said Road.

"This Act shall be in force from its passage."

"An Act to increase the capital stock of the Orange & Alexandria Railroad Company, and to authorize the Board of Public Works to subscribe on behalf of the State for three-fifths of such increase.

[Passed February 9, 1853.]

"1. *Be it enacted by the General Assembly*, That the capital stock of the

Orange & Alexandria Railroad Company be, and the same is hereby increased by the sum of four hundred and twenty thousand dollars.

"2. That the Board of Public Works be, and they are hereby, required to subscribe on behalf of the Commonwealth three-fifths of the said increased capital stock; provided that the payments of the Commonwealth's subscription shall be made *pari passu* with the payments of individual subscriptions, and that it shall be lawful for the stockholders of the Orange & Alexandria Railroad Company, in general meeting assembled, to make the increased stock hereby authorized, or so much thereof as they may elect, a preferred stock, by guaranteeing a dividend of six per centum per annum for a fixed or indefinite period on each share of stock, payable out of the net proceeds of said road.

"3. The General Assembly hereby reserves the right of regulating the mode in which the freight cars of any road connecting with said Orange & Alexandria Railroad shall be transported over the track of said road.

"4. This Act shall be in force from its passage."

"An Act to promote connecting railroads between the Orange and Alexandria and Manassas Gap Railroads and the Richmond, Fredericksburg and Potomac Railroad.

[Passed February 13, 1856.]

"1. *Be it enacted by the General Assembly*, That the Richmond, Fredericksburg and Potomac Railroad Company be, and they are hereby, authorized, under the provisions of their charter, to extend their railroad from such point on the line of their road, between Fredericksburg and Acquia creek, as will enable them to form a junction of their said road with the Orange and Alexandria Railroad at the point of intersection of said Orange & Alexandria Railroad with the Manassas Gap Railroad; and in constructing such branch, the said Richmond, Fredericksburg and Potomac Railroad Company shall have the privilege of making the mouth of Quantico creek or Occoquan river points in the route of the same.

"2. The Richmond, Fredericksburg and Potomac Railroad Company, for the purpose of carrying out the objects of this and any other acts in relation to said company, are hereby authorized to increase their capital stock in such manner as they may deem most advisable, to the extent of one million of dollars, in addition to the amount hitherto authorized; or the said company, to such extent as they may deem it advisable to do so, may borrow money, at a rate of interest not exceeding seven per centum, and issue proper certificates or evidences of debt therefor, and make the same convertible into stock, at the pleasure of the holder; and may secure the punctual payment of the principal and interest of such loans by a deed of trust on all the property of the company and its franchises; provided, the aggregate amount of the stock and convertible loan issued under authority of this section shall not exceed the sum of one million of dollars; and provided further, that no certificate of loan convertible into stock, or creating any lien or mortgage of the property of the company, shall be issued by the said company unless the expediency of making a loan on such terms and of issuing such certificates shall have first been determined on at a general meeting of the stockholders, by two-thirds of the votes which could legally be given in favor of the same, and that no certificates of debt issued under this act shall be sold at less than the par value thereof; provided further, that the said company shall not build a bridge across Acquia creek, or any other creek below the head of tide water, so as to obstruct the navigation of said creek; provided, that the provisions of the general railroad law shall be adopted by the said company, so far as the same shall be applicable to the said extension; and provided further, if in the progress of the construction of such extension, it shall be necessary, in conse-

quence thereof, to diminish, suspend or postpone the payment of dividends on the stock of the company, such diminution, suspension or postponement shall not apply to the State as a stockholder, but only to the private stockholders of the company.

"3. This act shall be in force from the passage thereof."

"An Act authorizing the Orange and Alexandria Railroad Company to purchase Daniel's Island in James river.

[Passed March 18, 1856.]

"1. *Be it enacted by the General Assembly*, That the Orange & Alexandria Railroad Company shall be, and they are hereby, authorized to acquire by purchase, for the purposes of their railroad, Daniel's Island, or so much thereof as may be required for the same, lying in James river in the county of Amherst.

"2. This Act shall be in force from its passage."

"An Act authorizing a loan to the Orange and Alexandria Railroad Company.

[Passed March 25, 1858.]

"1. *Be it enacted by the General Assembly*, That it shall be lawful for the Board of Public Works, and they are hereby authorized and required to loan to the Orange & Alexandria Railroad Company the sum of four hundred thousand dollars, to be expended in the completion of said road; the said amount to be advanced in monthly installments of fifty thousand dollars each, commencing on the fifteenth day of March, eighteen hundred and fifty-eight.

"2. That the Board of Public Works shall have the authority and are hereby required to raise the said sum of four hundred thousand dollars in the manner and form provided by law; provided, however, that no payment of money shall be made by the said Board of Public Works until the said company shall have executed and delivered to the said Board security for the payment of principal and interest of said loan, in the form of a mortgage or other specific lien, to the satisfaction of said Board, on all the net tolls, receipts and property, real and personal, of the said company, or so much thereof as the said Board may deem ample security; and provided moreover, that the said company shall semi-annually pay into the treasury of the State three and one-half per centum on the said loan of four hundred thousand dollars, or so much thereof as may have been paid over by said Board of Public Works to said company, for the payment of the interest and extinction of the principal of said loan, until it shall be finally discharged.

"3. *Be it further enacted*, that in such sales of bonds as shall be made by said Board of Public Works to meet the provisions of this act, the specific object and purpose to which the same shall be applicable shall be made known and indicated, and the proceeds so derived shall be applied accordingly.

"4. That in the event of default of the punctual payment of the interest which shall accrue upon the loan herein authorized, the said Board of Public Works are hereby empowered and directed, after giving thirty days' notice of such intention on their part, to take possession of the road and equipment of said company, and to hold and use the same until all arrears of interest shall be paid off and extinguished out of the net tolls and receipts so derived, and shall then return said road and equipment to the proper authorities of the said company.

"5. That if the Orange & Alexandria Railroad Company accept the provisions of this act, it shall be upon the condition that they shall not connect

the eastern portion of their road with the southwestern extension from Charlottesville to Lynchburg by a route separate and distinct from that now used by the Virginia Central Railroad Company between Gordonsville and Charlottesville; provided, that the Virginia Central Railroad Company, at their next general meeting, shall consent that the Orange & Alexandria Railroad Company may use the portion of road between Gordonsville and Charlottesville, on equitable terms, to be approved by the Board of Public Works.

"6. This Act shall be in force from its passage."

"Joint Resolutions in relation to the Orange and Alexandria Railroad Company.

[Adopted January 31st, 1866.]

"1. *Resolved by the General Assembly*, That the Board of Public Works be requested to call a meeting of the Stockholders of the Orange and Alexandria Railroad Company, for the purpose of electing a President and Directors of said Railroad Company, within the shortest period prescribed by law; and that they be requested to appoint new proxies to represent the interest of the State in the said meeting of Stockholders.

"2. *Resolved*, That a copy of these Resolutions be certified and sent to the Board of Public Works."

"*Joint Resolutions* relative to the repeal of a Joint Resolution, adopted March 15th, 1850, transferring to the Orange and Alexandria Railroad Company a claim of the State of Virginia against the United States Government.

[Approved February 20th, 1878.]

"WHEREAS, by Resolution of the General Assembly of Virginia, adopted March 15th, 1850, a claim of the Commonwealth for one hundred and twenty thousand dollars, for money advanced to the United States by Virginia, was transferred to the Orange and Alexandria Railroad Company upon the consideration that it should prosecute and recover said claim, and, when recovered, should issue certificates of stock in said Company to the amount of the sum recovered, to the President and Directors of the Literary Fund, to be held by them to the use and benefit of the Primary Schools, for the purposes of Primary Education in the Commonwealth; and whereas, the said Railroad Company has never prosecuted said claim to a recovery, and has become insolvent, so that the Stock thereof is utterly worthless, whereby it will be altogether useless to invest the proceeds of any such recovery in the Stock of such insolvent Company; therefore,

"1. *Resolved*, (the House of Delegates concurring), That the said Resolution adopted March 15th, 1850, be, and the same is hereby repealed.

"2. *Resolved*, That our Senators and Representatives in Congress be requested to exert their best efforts to recover the amount of the claim aforesaid.

"3. *Resolved*, That a copy of these Resolutions be forwarded by the Governor to the Senators and Representatives of Virginia in Congress."

HISTORY
— OF THE —
MANASSAS GAP RAILROAD COMPANY,
FROM ITS ORGANIZATION TO ITS CONSOLIDATION WITH THE
ORANGE AND ALEXANDRIA RAILROAD,
INTO THE
ORANGE, ALEXANDRIA AND MANASSAS RAILROAD COMPANY.

The First Meeting of Stockholders of the Manassas Gap Railroad Company was held in the Spring of 1850, when the Act of the General Assembly entitled "An Act to incorporate the Manassas Gap Railroad Company," passed March the 9th, 1850, was accepted, and Ed. C. Marshall elected President, and W. H. Fowle, J. W. Foster and Alfred Rector were elected Directors; C. H. Hunton and W. H. Irwine were appointed Directors by the State.

Called Meeting of Manassas Gap Railroad Company in Alexandria on the 10th of April, 1851, when an Act of the General Assembly entitled "An Act to amend the charter and authorizing a subscription on behalf of the State to the Stock of the Manassas Gap Railroad Company, passed February, 10th, 1851," was accepted.

First Annual Meeting of the Stockholders of the Road held at Salem, in Fauquier county, September 2d, 1851. Ed. C. Marshall re-elected President and W. H. Fowle, J. W. Foster and Andrew Pittman, Directors. The State appointed W. H. Irwine and C. H. Hunton, Directors.

Second Annual Meeting held in Alexandria on Thursday September 2d, 1852; old officers elected, except Thos. H. Boswell in the place of J. W. Foster, who resigned. Same Directors on part of State.

A Called Meeting in Alexandria January 12th, 1853, accepted Act of Legislature entitled "An Act authorizing the Board of Public Works to subscribe \$165,000 to the Capital Stock of the Manassas Gap Railroad Company," passed December 6th, 1852.

A Called Meeting of Stockholders held in Alexandria on 7th of April, 1853, at which the Act of 7th of February, 1853, increasing the Capital Stock \$800,000, was accepted.

Also,

The Act of 8th March, 1853, authorizing the construction of a Branch Road through the county of Loudon, was accepted.

Also,

The Act of 10th March, 1853, authorizing the extension of the Road through to Alexandria, was accepted.

Also,

The Act of 18th March, 1853, authorizing the construction of a Road from Westernport to some point on the Manassas Gap Railroad, was accepted.

A Called Meeting of Stockholders was held June 9th, 1853. It was in reference to a request to the City of Alexandria to subscribe \$200,000 to the Road.

The Third Annual Meeting of Stockholders was held in Alexandria on Thursday October 20th, 1853. Old officers re-elected.

A Called Meeting of Stockholders April 6th, 1854, in Alexandria, accepted Act increasing the Capital Stock of the Company by the sum of \$400,000.

The Fourth Annual Meeting of Stockholders held in Alexandria October 19th, 1854. Old officers re-elected.

The Fifth Annual Meeting of Stockholders held in Alexandria October 25th, 1855. E. C. Marshall elected President,

and Erasmus Coffman and B. H. Lambert, Directors. State Directors same as heretofore.

The Sixth Annual Meeting was held in Alexandria October 16th, 1856, at which the same officers were elected, except Hiram Mantz took the place of Erasmus Coffman.

The Seventh Annual Meeting was held in Alexandria October 27th, 1857, at which the old officers were re-elected.

All the other meetings of the Company were held without any incident or action until April 24th, 1867, and it is unnecessary to cumber this record with any note of them.

During the war the track of this Road was almost at the line of battle of the contending armies, and was, therefore, desolated. The iron was torn up, bridges pulled down, and cross-ties burned; as a consequence it was unable to put itself in running order, to pay its debts, and to complete its extension to Harrisonburg, its western terminus, according to its charter. Arrangements were therefore made for its consolidation with the Orange and Alexandria Railroad. The action of the Manassas Gap Stockholders in regard thereto will be found in the account of the proceedings connected with said consolidation and the meeting of Stockholders of the Manassas Gap Stockholders on the 24th of April, 1867, to which reference is made.

The following Acts of the Legislature relate to the MANASSAS GAP RAILROAD COMPANY, and its Rights, Interests and Franchises :

"An Act to incorporate the Manassas Gap Railroad Company.

[Passed March 9, 1850.]

"1. *Be it enacted by the General Assembly*, That it shall and may be lawful to open books of subscription in the town of Alexandria, under the direction of Phineas Janney, George H. Smoot, Robert Brockett, and Wm. H. Irvin; in the town of Warrenton, under the direction of Richard Paine, Thomas M. Munroe, and Hamden A. White; in the town of Front Royal, under the direction of Giles Cook, E. B. Jacobs, Charles Green, and Robert Turner; in the town of Woodstock, under the direction of Green B. Samuels, Mark Bird, and William Moreland; and in the town of Harrisonburg, under the direction of John Kinney, Samuel Shacklett, and Littleton W. Gamble, or any two of them; and in such other place or places, under the direction of such agents or deputies, as a majority of the commissioners at either of the above-named places shall designate, for the purpose of receiving subscriptions to the amount of eight hundred thousand dollars, in shares of fifty dollars each, to constitute a joint capital stock, not exceeding eight hundred thousand dollars, for the purpose of making a railroad from some convenient point on the Orange and Alexandria Railroad, through Manassas Gap, passing near the town of Strasburg, to the town of Harrisonburg, in the county of Rockingham.

"2. *Be it further enacted*, That whenever one hundred and fifty thousand dollars shall have been subscribed, the subscribers, their executors, administrators and assigns, shall be, and are hereby declared to be, a body politic and corporate, under the name and style of the 'Manassas Gap Railroad Company,' and shall be subject to all the provisions of the act prescribing certain general regulations for the incorporation of railroad companies, passed March 11th, 1837, except so far as the provisions thereof may be inconsistent with the provisions herein contained: *And provided*, That the proviso of the tenth section of the above cited act shall not apply to this act, and except also that said Company may declare dividends of all its net profits: *Provided*, That it shall not at any time or in any form make dividends of its capital stock: *And provided also*, That the tolls of the said Company shall not be under the control of the Board of Public Works.

"3. All machines, wagons, vehicles or carriages belonging to the Company, together with all their works and other property, and all profits which shall accrue from the same, shall be vested in the respective shareholders of the Company forever, in proportion to their respective shares; and the same shall be deemed personal estate, and shall be exempt from any public charge or tax whatsoever; and the tolls of said Company shall be regulated and prescribed by the President and Directors of the Company.

"4. It shall be lawful for the President and Directors of this Company, or a majority of them, to borrow money for the objects of this act, to issue certificates or other evidence of such loans, and to make the same convertible into the stock of the Company at the pleasure of the holder; *provided*, that the capital stock shall not thereby be increased to an amount exceeding one million

two hundred thousand dollars, and to pledge the property of the company for the payment of the same and its interest; *provided*, that no certificate of loan convertible into stock, or creating any lien or mortgage on the property of the Company, shall be issued by the President and Directors, unless the expediency of making a loan on such terms and of issuing such certificates shall have first been determined on at a general meeting of the stockholders by two-thirds of the votes which could legally be given in favor of the same.

"5. The said Company shall proceed with all diligence and despatch in making surveys and in the prosecution of the work, and shall, within four years from the passage of this act, enter upon the construction of said road, and have placed under contract not less than twenty miles of the same and complete and put in operation, after the expiration of six years from the passage of this act not less than ten miles annually of the same, under the penalty of the forfeiture of any portion of said road, which may not be under contract or the construction thereof commenced; which forfeiture is hereby declared to be absolute and complete from the time the conditions of this section shall fail to be complied with.

"6. That in case any railroad shall hereafter intersect with the railroad by this act authorized to be constructed, the company of the last mentioned road shall convey the tonnage and passengers from the point of intersection to either terminus of the said road, at the same rate per mile that they charge for the through tonnage and passengers.

"7. It shall and may be lawful for the President and Directors of the said Railroad Company to contract with the proper authorities for the carrying or transportation of the United States mail on the whole or any portion of the said railroad, and upon such terms as may be agreed upon by the parties so contracting; and should there be any disagreement between them as to the terms and conditions upon which the mail shall be carried upon the said road or any portion thereof, the subject of such differences shall be referred to the arbitrament and decision of such person or persons as shall be appointed and designated by the Legislature for that purpose, whose award shall be final and binding upon the said Railroad Company.

"8. The capital stock of said Company shall be exempt from taxation, nor shall any tax be imposed upon the dividends of the said Company arising from the income of the said railroad, unless the income of the said road shall exceed seven per cent. per annum, in which case the dividends arising from the profits of the Company may be subject to taxation.

"9. *And be it further enacted*, That it shall and may be lawful for the Common Council of Alexandria to subscribe to the capital stock of said Railroad Company a sum not exceeding \$150,000, provided three-fifths of the legal voters of the said town shall, by a vote to be taken, agree to do so.

"10. This Act shall be in force from its passage."

"An Act to amend the Charter and authorizing a subscription on behalf of the State to the Stock of the Manassas Gap Railroad Company.

[Passed February 10th, 1851.]

"1. *Be it enacted by the General Assembly*, When the Board of Public Works shall be satisfied that sixty thousand dollars of the Stock of the Manassas Gap Railroad Company have been subscribed for by persons solvent and able to pay, the said Board shall subscribe on behalf of the State for forty thousand dollars of the said Stock, and so from time to time and in the same proportion shall continue to subscribe on behalf of the State for the said Stock, to the amount of three hundred and twenty thousand dollars, that sum being two-fifths of eight hundred thousand dollars, the Capital Stock of said Company.

"2. The said subscription shall be paid *pari passu* with the individual subscriptions, and to that end the said Board shall borrow on the credit of the State such sums of money as may be necessary.

"3. The funds authorized by this Act shall not be expended in the construction of said Road beyond the town of Strasburg, in the county of Shenandoah, until the same shall be completed from its eastern terminus to a point at or near that town.

"4. That the second section, except that part conferring corporate existence, all of the third and eighth sections of the Act to incorporate the Manassas Gap Railroad Company, passed March 9th, 1850, be and the same are hereby repealed.

"5. That the said Railroad Company shall be subject to all the provisions of the Code of Virginia applicable to such Company, in like manner as though its original charter had been granted since the commencement of said Code on the 1st of July, 1850.

"6. This Act shall commence from and take effect from and after its acceptance by a majority of the Stockholders, given in a general or a called meeting of the Company assembled for the purpose, by a notice of the time and place of such meeting published for thirty days in one or more newspapers in the city of Alexandria, and a like publication in the town of Winchester, and the acceptance certified within six months from the passage of this Act to the Board of Public Works."

"An Act concerning the Manassas Gap Railroad Company and the Orange and Alexandria Railroad Company.

[Passed February 24th, 1852.]

"1. *Be it enacted by the General Assembly of Virginia*, That the Manassas Gap Railroad Company and the Orange and Alexandria Railroad Company are hereby authorized and empowered to contract for the transportation of tonnage, passengers and the public mail by the Manassas Gap Railroad Company, with or without their own machinery and cars, over the Orange and Alexandria Railroad; and the Manassas Gap Railroad Company may contract with the said Orange and Alexandria Railroad Company for the use of their buildings, depot, water stations and railway tracks leading thereto.

"2. This Act shall be in force from its passage."

"An Act extending the Manassas Gap Railroad from Strasburg to a point on the Baltimore and Ohio Railroad at or near Paddytown.

[Passed June 3d, 1852.]

"1. *Be it enacted by the General Assembly*, That the Manassas Gap Railroad Company be and they are hereby authorized to extend the said Road from Strasburg in the county of Shenandoah, to a point on the Baltimore and Ohio Railroad at or near Paddytown in the county of Hampshire, by such route as upon survey may be deemed most advisable by the said Company.

"2. That the said Company shall be governed, in the location and construction of the branch hereby authorized, by the terms of their present charter, and by the provisions of chapter sixty-seven of the Code of Virginia. But the branch of such extension shall not be commenced until the said Company has put under contract for actual construction their Road from Strasburg to Harrisonburg in the county of Rockingham.

"3. This Act shall be in force from its passage."

"An Act authorizing the Board of Public Works to subscribe one hundred and sixty thousand dollars to the Capital Stock of the Manassas Gap Railroad Company.

[Passed December 6th, 1852.]

"1. *Be it enacted by the General Assembly*, That the Board of Public Works of this Commonwealth be authorized to subscribe on behalf of the State to the Manassas Gap Railroad Company, one hundred and sixty thousand dollars, being one-fifth part of the present capital stock of the said Company, the said amount being necessary to make the State subscription three-fifths instead of two-fifths, heretofore subscribed to said Company.

"2. This Act shall be in force from its passage."

"An Act authorizing the extension of the Manassas Gap Railroad from some point east of Thoroughfare to the city of Alexandria.

[Passed March 10th, 1853.]

"1. *Be it enacted by the General Assembly of Virginia*, That the capital stock of the Manassas Gap Railroad Company be and the same is hereby increased by the further sum of five hundred thousand dollars, to be divided into shares of fifty dollars each, for the purpose of extending their Road from some point east of the Thoroughfare Gap, by the way of Fairfax Courthouse, to the city of Alexandria.

"2. Whenever forty thousand dollars shall have been subscribed by others than the Commonwealth, solvent and able to pay, the Board of Public Works shall subscribe on behalf of the State for sixty thousand dollars, and so in like proportion until the whole amount of the increased capital stock shall have been taken: *provided*, however, that the payment shall be made by the State *pari passu* with others than the Commonwealth.

"3. The Board of Public Works are hereby authorized to raise the money necessary to pay their subscription as is provided for by law.

"4. The Manassas Gap Railroad Company is hereby required to keep their present Road between the point of divergence designated above and the Orange and Alexandria Railroad in running order.

"5. This Act shall be in force from its passage."

"An Act increasing the Capital Stock of the Manassas Gap Railroad Company.

[Passed February 7, 1853.]

"1. *Be it enacted by the General Assembly*, That the capital stock of the Manassas Gap Railroad Company, chartered March 9, 1850, shall be, and the same is hereby, increased by the addition of eight hundred thousand dollars, so that hereafter the capital stock of said Company shall be sixteen hundred thousand dollars.

"2. That the Board of Public Works of this Commonwealth be authorized to subscribe to the capital stock of said Company a sum equal to three-fifths of said increased capital; that whenever it shall satisfactorily appear to the Board of Public Works that forty thousand dollars of the capital stock of said Company shall have been subscribed by individuals or corporations, solvent and able to pay, the said Board shall subscribe for and on behalf of the State for sixty thousand dollars of said stock; and so on from time to time, and in the same proportion shall continue to subscribe on behalf of the State for said stock until the same is all taken.

"3. That the subscriptions hereinbefore directed to be made shall be paid *pari passu* with individual subscriptions, and to that end the said Board shall borrow, on the credit of the State, such sums as are necessary.

"4. That this Company shall be subject to all the provisions of the Code of Virginia, so far as the same are applicable, as though its original charter had been granted since the commencement of the said Code on the first day of July, 1850.

"5. The third section of an Act to amend the charter of the Manassas Gap Railroad passed February 10, 1857, in the following words: 'The funds authorized by this Act shall not be expended in the construction of said road beyond the town of Strasburg, in the county of Shenandoah, until the same shall be completed from its eastern terminus to a point in or near that town,' is hereby repealed.

"6. This Act shall be in force from its passage."

"An Act to authorize the county of Shenandoah to subscribe to the Manassas Gap Railroad.

[Passed January 4, 1854.]

"1. *Be it enacted by the General Assembly*, That the County Court of Shenandoah be, and they are hereby, authorized to submit to the voters of said county the question whether the county shall subscribe to the capital stock of the Manassas Gap Railroad; and if three-fifths of the votes polled shall be in favor of said subscription, then the County Court of said county shall proceed to make said subscription to an amount not exceeding one hundred and fifty thousand dollars; and they are also authorized to levy and collect a tax to meet the same, or any part thereof, annually, until the whole subscription shall be paid.

"2. *Be it further enacted*, That the said County Court shall have power, if so decided by a vote of three-fifths of the votes polled in said county, to borrow, on the credit of the county, the amount authorized by a vote as aforesaid, and to issue the bonds of the county therefor, bearing three per centum interest semi-annually, for a period not exceeding twenty years.

"3. *Be it further enacted*, That the County Court shall have power and is hereby authorized to issue to the tax-payers scrip, setting forth the amount paid by each person under the tax hereby authorized to be levied, which scrip shall be transferable; and when any person shall present an amount of scrip equal to a share of the stock in the Manassas Gap Railroad Company, certified by the County Court of Shenandoah county, then the said Railroad Company shall receive the scrip and issue stock for the same. The vote shall be taken in the manner prescribed by the Act authorizing subscriptions to be made by counties to railroad companies.

"4. This act shall be in force from its passage."

"An Act authorizing the trustees of the town of Woodstock to subscribe to the Manassas Gap Railroad Company.

[Passed January 21, 1854.]

"WHEREAS, it is represented to the General Assembly that more than three-fifths of the citizens of Woodstock, in the county of Shenandoah, qualified to vote under the present Constitution of Virginia, are of opinion that it is expedient that the corporate authorities thereof should subscribe to the stock of the Manassas Gap Railroad Company:

"1. *Be it therefore enacted by the General Assembly*, That the trustees of the town of Woodstock be, and they are hereby, authorized on behalf of said town to subscribe for stock in the said Manassas Gap Railroad Company an amount not exceeding five thousand dollars; that said trustees on behalf of said town be authorized to borrow, from time to time, such sums of money as will be required to effect said object, and to levy, assess and collect such taxes as will be necessary for paying the interest and redeeming the principal of any loan negotiated by virtue of this Act; provided, that in levying and assessing said taxes, the subjects liable to State taxes in said town (including licenses) for the time being shall be the subjects on which said taxes shall be levied and assessed.

"2. That the trustees of said town are hereby authorized to appoint one or more proxies to represent said stock in the meetings of the stockholders of said Company, and an agent to collect the dividends thereon; that the said dividends shall be applied by said trustees, first to the liquidation of the interest and principal of said loan, and afterwards to the diminution of the taxes assessed for town purposes; that whenever, in the opinion of said trustees, or a majority of them, it shall be deemed expedient for the interests of said town, they are hereby authorized to sell or dispose of said stock and apply the proceeds to the extinguishment of the loan and interest hereby authorized, or so much as may be necessary, and apply the residue for the purposes for which taxes are now authorized to be assessed.

"3. That the Circuit Court of the county of Shenandoah shall have jurisdiction to enforce the payment of said loan, or any part thereof, with the interest, as the same becomes due and payable.

"4. That the trustees of said town be, and they are hereby, authorized to subscribe on behalf of said town, as so much stock, the damages which may be assessed against said Railroad Company, for land for a depot and the right-of-way over the commons of said town; said stock to be subject to the foregoing provisions.

"5. That the provisions of chapter fifty-five of the Code of Virginia, so far as the same are applicable, shall apply to this Act.

"6. This Act shall be in force from its passage."

"An Act increasing the capital stock of the Manassas Gap Railroad Company.

[Passed January 25th, 1854.]

"1. *Be it enacted by the General Assembly*, that the capital stock of the Manassas Gap Railroad Company, chartered March the ninth, eighteen hundred and fifty, shall be and the same is hereby increased by the addition of four hundred thousand dollars, for the purpose of constructing said Road from Strasburg to Harrisonburg.

"2. That the Board of Public Works of this Commonwealth be authorized to subscribe to the increased capital stock of said Company, a sum equal to three-fifths of said increased capital; that whenever it shall satisfactorily appear to the Board of Public Works that forty thousand dollars of the capital stock of said Company shall have been subscribed by individuals or corporations, solvent and able to pay, the said Board shall subscribe, for and on behalf of the State, for sixty thousand dollars of said stock, and so on from time to time, and in the same proportion, shall continue to subscribe on behalf of the State for the said stock until the same is all taken.

"3. That the subscriptions herein before directed to be made shall be paid *pari passu* with individual subscriptions; and to that end, the said Board shall borrow on the credit of the State such sums as are necessary.

"2. This Act shall be in force from and after its passage."

"An Act authorizing the Manassas Gap Railroad Company to extend their Road from Purcellville in Loudoun to Harper's Ferry in Jefferson county.

[Approved February 15th, 1856.]

"1. *Be it enacted by the General Assembly*, That the Manassas Gap Railroad Company be authorized to extend their branch in Loudoun county from Purcellville in said county to some point at or near Harper's Ferry, and to increase their capital stock by the additional sum of four hundred thousand dollars. Said subscription and payment to be made on the same conditions provided for in the Act authorizing the construction of said branch, excepting that the State shall not be required to subscribe for any of said increased capital.

"2. Provided, that none of the present authorized capital of the Company, on the first mortgaged bonds of the Company, shall be applied to the construction of the Road from Purcellville to Harper's Ferry until the completion of the main line of the Road to Harrisonburg in the county of Rockingham.

"3. This Act shall be in force from its passage."

"An Act to increase the capital stock of the Manassas Gap Railroad Company, and authorizing the Board of Public Works to subscribe therefor.

[Passed March 25, 1858.]

"*Be it enacted by the General Assembly*, That the capital stock of the Manassas Gap Railroad Company be, and the same is hereby increased, by the sum of two hundred and fifty thousand dollars thereto.

"2. *Be it further enacted*, That the Board of Public Works are hereby empowered and directed to subscribe on behalf of the Commonwealth for the whole of said increased capital, and to borrow money for that purpose, in accordance with the existing laws, on the express condition that the whole of said new stock shall be constituted and declared by the said Company, before enjoying any of the benefits of this act, to be a six per centum preferred stock, and that the Commonwealth shall be entitled to have and actually receive six per centum dividend thereon perpetually, before any other dividends are declared or paid upon any other stock held in said Company; and provided, that not more than one hundred and twenty-five thousand dollars of the subscription hereby authorized shall be called for in the year eighteen hundred and fifty-eight, and the remainder in the year eighteen hundred and fifty-nine, or thereafter, at the convenience of said Company.

"3. This act shall be in force from its passage."

"An Act authorizing an increase of the capital stock of the Manassas Gap Railroad.

[Passed April 7th, 1858.]

"1. *Be it enacted by the General Assembly*, That the capital stock of the Manassas Gap Railroad be, and hereby is increased, by the sum of two hundred and fifty thousand dollars to be divided into shares of fifty dollars each in addition to the capital of said Company heretofore authorized: provided, however, that the Board of Public Works shall not be required to subscribe to said increased capital stock.

"2. This Act shall be in force from its passage."

" An Act increasing the capital stock of the Manassas Gap Railroad Company and authorizing a subscription thereto by the Board of Public Works.

[Passed February 10th, 1860.]

"1. *Be it enacted by the General Assembly*, That the capital stock of the Manassas Gap Railroad Company be and the same is hereby increased by the sum of three hundred and fifty thousand dollars thereto.

"2. *Be it further enacted*, That the Board of Public Works are hereby empowered and directed to subscribe on behalf of the Commonwealth for the whole of said increased capital, and to borrow money for that purpose, in accordance with the existing laws, on the express condition that the whole of said new stock shall be constituted and declared by said Company, before enjoying any benefits of this Act, to be a six per centum preferred stock, and that the Commonwealth shall be entitled to have and actually receive six per centum dividend thereon perpetually, before any other dividends are declared or paid upon any other stock held in said Company; and provided, that not more than one hundred and seventy-five thousand dollars of the subscription hereby authorized shall be called for in the year eighteen hundred and sixty, and the remainder in the year eighteen hundred and sixty-one, or thereafter, at the convenience of said Company.

"3. This Act shall be in force from its passage."

HISTORY

—OF THE—

Orange, Alexandria and Manassas Railroad Company,

FROM ITS ORGANIZATION TO ITS CONSOLIDATION WITH THE LYNCHBURG AND DANVILLE RAILROAD COMPANY, FORMING THE VIRGINIA AND NORTH CAROLINA RAILROAD COMPANY, SUBSEQUENTLY CALLED THE WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY.

At a meeting of the stockholders of the Orange & Alexandria Railroad Company, called to consider the proposed consolidation with the Manassas Gap Railroad Company, held in the city of Alexandria, on the 24th of April, 1867, the following report of a special committee and resolution was adopted:

Mr. Turner, of the special committee appointed to confer with a committee of the Manassas Gap Railroad Company, presented the following report and resolution, which, on motion of Mr. Cazenove, were unanimously adopted:

"The special committee to whom was referred the propositions of the committee of the Manassas Gap Railroad Company in respect to an appropriation of shares of stock in the proposed Orange, Alexandria & Manassas Railroad Company, as a commutation of the stock now held by a portion of the stockholders of the Manassas Gap Railroad Company have, according to order, had the subject referred to them under consideration and respectfully beg leave to report.

"That although the shares of stock in the Manassas Gap Railroad Company are now of a mere nominal value, yet the committee, in view of the fact that as the Manassas Gap Railroad Company when completed from its present point of junction with the Orange & Alexandria Railroad to Harrisonburg, will embrace a distance of 112 miles, they deem it important that the persons

living along this extended line should feel some pecuniary interest in this work, and that they should also be entitled to some representation in the future meetings of the Orange, Alexandria & Manassas Railroad Company, and the committee being also of the opinion that it is a matter of some interest to this Company that there should be a formal surrender by the private shareholders of the Manassas Gap Railroad Company of their shares to this Company and to give effect to these views they recommend the adoption of the following resolution:

"Resolved, That whenever any individual shareholder holding not less than five shares of the stock of the Manassas Gap Railroad Company shall execute to the Orange, Alexandria & Manassas Railroad Company a relinquishment of all his said shares, he shall be entitled to receive a certificate for one share in the Orange, Alexandria & Manassas Railroad Company, and that the county of Rockingham shall be entitled to receive a certificate for fifteen shares of said stock, the county of Warren a certificate for five shares of said stock, and the town of Woodstock a certificate for one share of said stock.

At the same meeting a contract between the said two Companies was approved and ordered to be executed.

The Contract as executed is in the following words and figures.

AGREEMENT.

WHEREAS, The General Assembly of Virginia did, by an Act passed February 14th, 1867, authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock shares in the same, to the Orange & Alexandria Railroad Company, on certain terms and conditions therein set forth, and did confer certain other powers and rights on the Orange & Alexandria Company set out in said Act, and whereas said Companies have accepted the provisions of said Act as hereinafter stated, now this agreement, made and entered into this 23rd day of April, 1867, between the Manassas Gap Railroad Company and the Orange & Alexandria Railroad Company, witnesseth as follows, to-wit: It is agreed between the said Companies that the charter, franchises and all the property of the said Manassas Gap Company shall be, and are hereby transferred to and vested in the Orange & Alexandria Railroad Company; that all the stock held in said Manassas Gap Railroad Company, whether by the State of Virginia, by the City of Alexandria, by counties or individuals, shall be, and is hereby, transferred to and merged in the said Orange & Alexandria Railroad Company; and, in consideration thereof, the said Orange & Alexandria Railroad Company binds itself by the following stipulations and agreements, that it will commence the rebuilding and construction of the Manassas Gap Railroad within six months from the 14th of February, 1867, and complete it to Harrisonburg within two years from said date; and that said Orange & Alexandria Railroad Company shall assume the payment of all debts due by said Manassas Gap Company in the following manner and form, and none other: that is to say, the President and Directors of the Orange & Alexandria Railroad Company shall adjust and settle the said debts with the creditors on terms deemed equitable by said President and Directors, and said creditors, having regard to the present financial condition of the Manassas Gap Company, and the value of their assets hereby transferred, and the said debts shall and may be paid by the issue of the bonds of the said Orange & Alexandria Railroad Company, to the creditors aforesaid, according to their respective amounts as agreed on and adjusted by said President and Directors and creditors or in such other modes as said parties may adopt, and thereupon said bonded creditors shall release their securities for their said debts, on the acceptance of the said substituted bonds, or such other mode of payment. And it is expressly understood,

as a fundamental condition of this contract, that the Orange & Alexandria Railroad Company shall not be bound for more or a greater amount of said debts or in any other or different proportions or mode of payment than shall be finally adopted and agreed upon by the President and Directors of the Orange & Alexandria Railroad Company and the creditors aforesaid; and further, it is agreed that the charges for transportation of local freights and passengers shall be the same, pro rata, on the lines of the Manassas Gap and Orange & Alexandria Railroads.

That two Directors be added to the Board of the Orange & Alexandria Railroad as now constituted, to be elected by the Stockholders, of whom one shall be taken from the Piedmont and the other from the Valley counties on the line of the Manassas Gap Road. And it is further agreed that all the property, rights, charter, franchises and stock granted and transferred to the said Orange & Alexandria Railroad Company by this contract shall be forfeited and revert to the Manassas Gap Company and its stockholders on the failure of the said Orange & Alexandria Railroad Company to comply with and perform the stipulations and conditions to be performed on its part.

But it is expressly agreed that the right given to the Manassas Gap Company by Act of Assembly, passed February 21, 1866, to construct a railroad between Strasburg and Winchester is not hereby conveyed, or transferred, to the said Orange & Alexandria Railroad Company. And, it is further agreed, that this agreement is subject to the ratification, approval and confirmation of the stockholders of the said Companies respectively and shall only be valid when so approved; and that when so confirmed and the transfer of the charter, franchises, property and rights of the Manassas Gap Company determined upon by the said Companies, the Orange & Alexandria Railroad Company shall assume and be known by the name of the Orange, Alexandria & Manassas Railroad Company, it being distinctly understood that the whole capital stock of the Manassas Gap Railroad Company, under this contract, is absolutely surrendered and extinguished.

And it is further understood and agreed that the Manassas Gap Railroad Company shall execute such deeds, conveyances and transfers as may be necessary or proper for the performance of the foregoing contract.

Witness the signatures of the Presidents of said Companies, and the seals of said Companies.

{ Seal of
{ M. G. R. R. Co. }

EDWARD C. MARSHALL,
President of Manassas Gap Railroad Company.

{ Seal of the
{ O. & A. R. R. Co. }

The Orange & Alexandria Railroad Company,
By JNO. S. BARBOUR, Prest.

At a meeting of the Directory of the Orange and Alexandria Railroad Company held in the office of the Company, in Alexandria, on the 26th day of April, 1867, it was

* * * * *

"Resolved, That in pursuance of authority vested in this board by the Stockholders of the Company at the session just closed, the President of the Company be clothed with power to execute a contract with the Manassas Gap Railroad Company, according to the agreement entered into by the Stockholders of the two Companies."

* * * * *

A true extract from the minutes.

Teste :

L. W. REID,
Secretary.

After the passage of the Act of the 29th of April, 1867, the following paper was executed :

AGREEMENT.

WHEREAS, the General Assembly of Virginia did, by an act passed February 14th, 1867, and an act amendatory thereof passed April 29th, 1867, authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company and the stock shares in the same to the Orange and Alexandria Railroad Company, on certain terms and conditions therein set forth, and did confer certain other powers and rights on the Orange and Alexandria Railroad Company, and whereas, the stockholders of the Manassas Gap Railroad Company did, on the 24th of April, 1867, affirm and accept the authority granted by said acts and authorize and empower the Board of Directors of said Company to execute all such contracts and deeds as might be necessary to effect the purposes of said acts, and whereas, the Board of Directors of said Company did, on the 25th of April, 1867, in virtue of the authority conferred on said Board by said resolution of the stockholders, empower and instruct Edward C. Marshall, President of said Company to execute such deeds and contracts when satisfied that the Orange and Alexandria Railroad Company should be prepared to carry out the provisions of said act, and whereas, the stockholders of the Orange and Alexandria Railroad Company did, on the 25th day of April, 1867, accept the provisions of said acts of Assembly subject to certain conditions, and whereas, in pursuance of said ratification of said acts of Assembly by the stockholders of said Company, an agreement was entered into the 25th of April, 1867, between the Manassas Gap Railroad Company and the Orange and Alexandria Railroad Company and a doubt has arisen whether said contract conforms to the provisions of said act of Assembly. Now to remove all doubt or uncertainty in that behalf and by virtue of the authority conferred by said resolution of the stockholders of the Manassas Gap Railroad Company on the Directors of said Company and by said Directors on Edward C. Marshall, President, to execute all such contracts and deeds as might be necessary to effect the purposes of said acts: this agreement, made this 25th day of February, 1871, between the Manassas Gap Railroad Company and the Orange and Alexandria Railroad Company. Witnesseth, It is agreed between the said Companies that the charter, franchises and all the property of the said Manassas Gap Railroad Company shall be, and are hereby transferred to and vested in the Orange and Alexandria Railroad Company, that all the stock held in said Manassas Gap Railroad Company, whether by the State of Virginia, by the City of Alexandria, by counties or individuals shall be, and is hereby, transferred to and merged in the said Orange and Alexandria Railroad Company; and in consideration thereof, the said Orange and Alexandria Railroad Company binds itself by the following stipulations and agreements, that it will commence the rebuilding and construction of the Manassas Gap Railroad within six months from the 14th February, 1867, and complete it to Harrisonburg within two years from said date, and that said Orange and Alexandria Railroad Company shall assume the payment of all debts due by said Manassas Gap Company, whether bonded or floating, and whether now ascertained or to be ascertained; and further it is agreed that the charges for transportation of local freights and passengers shall be the same, pro rata, on the lines of the Manassas Gap and Orange and Alexandria Railroads.

That two Directors be added to the Board of the Orange and Alexandria Railroad as now constituted to be elected by the stockholders, of whom one shall be taken from the Piedmont and one from the Valley counties on the line of the Manassas Gap Road.

And it is further agreed that all the property, rights, charter, franchises and stock granted and transferred to the said Orange and Alexandria Railroad

Company by this contract, shall be forfeited and revert to the Manassas Gap Company and its stockholders on the failure of the said Orange and Alexandria Railroad Company to comply with and perform the stipulations and conditions to be performed on its part. But it is expressly agreed that the right given to the Manassas Gap Company by act of Assembly, passed February 24, 1866, to construct a Railroad between Strasburg and Winchester is not hereby conveyed or transferred to the said Orange and Alexandria Railroad Company; and it is further agreed that this agreement having been ratified, approved and confirmed by the stockholders of the Manassas Gap Railroad Company, by their resolution hereinbefore referred to, is subject to the ratification, approval and confirmation of the stockholders of the Orange and Alexandria Railroad Company, and shall only be valid when so approved, and that when so confirmed and the transfer of the charter, franchises, property and rights of the Manassas Gap Company as determined upon by said Company, shall also be accepted and determined upon by the Orange and Alexandria Railroad Company, the said Orange and Alexandria Railroad Company which, by virtue of said former contract has assumed the name of the Orange, Alexandria and Manassas Railroad Company shall hereafter be known by that name. It being distinctly understood that the whole capital stock of the Manassas Gap Railroad Company under this contract is absolutely surrendered and extinguished. And it is further understood and agreed that the Manassas Gap Railroad Company shall execute such deeds, conveyances and transfers as may be necessary and proper for the performance of the foregoing contract.

Witness the signatures of the Presidents of said Companies and the seals of said Companies.

EDWARD C. MARSHALL,
President.

{ Seal of
{ M. G. R. R. Co. }

J. S. BARBOUR,
President.

{ Seal of
{ O. & A. R. R. Co. }

At a meeting of the stockholders of the Manassas Gap Railroad, held in Alexandria on April 24, 1867, for the purpose of acting upon the proposed consolidation of the said Company with the Orange & Alexandria Railroad Company, the following report and resolution are entered upon the minutes :

"The committee to whom was referred the articles of agreement between the Manassas Gap and Orange & Alexandria Railroad Companies, reported through their chairman, W. D. Massey, the following resolution; upon which a stock vote was demanded, and the resolution adopted—yeas, 16,131; nays, 420.

"Resolved by the Stockholders of the Manassas Gap Railroad Company, That they approve and accept the authority granted to them by an Act of the General Assembly of Virginia, passed on the 14th day of February, 1867, entitled 'An Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock-shares in the same to the Orange & Alexandria Railroad Company;' and they do further authorize and empower the Board of Directors of this Company to execute all such contracts and deeds as may be necessary to effect the purposes of said Act as soon as in the judgment of the said Board, the Orange & Alexandria Railroad Company shall be ready to fulfill and to carry out the provisions, stipulations and conditions prescribed by the said Act of the General Assembly."

Extract from the proceedings of the Board of Directors of the Manassas Gap Railroad Company, at a meeting held in Alexandria, Va., on the 25th and 26th of April, 1867:

"Resolved, That in virtue of the authority conferred on the Board of Directors, by resolution of the stockholders passed on the 24th of April, 1867, authorizing the President and Directors to execute all deeds and contracts necessary to carry out the provisions of the Act of the General Assembly entitled 'An Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock-shares in the same to the Orange & Alexandria Railroad Company,' the President of this Company is hereby empowered and instructed to execute such deeds and contracts when satisfied that the Orange & Alexandria Railroad Company is prepared to carry out the provisions of said Act."

On the 25th of July, 1867, a deed was executed in pursuance of the terms of the contracts between said Companies, which is in the following words and figures:

DEED.

"This deed made this 25th day of July, 1867, between the Manassas Gap Railroad Company and the Orange & Alexandria Railroad Company, witnesseth:—That the said Companies, on the 25th day of April, 1867, entered into an agreement in pursuance of an Act of the General Assembly authorizing the same, and now for the purpose of completing and consummating the same, the said Manassas Gap Railroad Company do grant, transfer and assign to the Orange & Alexandria Railroad Company the charter, franchises and all the property of the said Manassas Gap Railroad Company of every kind and description and all the stock in said Manassas Gap Railroad Company, whether held by the State of Virginia, by the City of Alexandria, by counties or individuals, and the same shall be and is hereby transferred to and merged in the said Orange & Alexandria Railroad Company; and in consideration thereof the said Orange & Alexandria Railroad Company binds itself by the following stipulations and agreements: That it will commence the rebuilding and construction of the Manassas Gap Railroad within six months from the 14th day of February, 1867, and complete it to Harrisonburg within two years from said date; and that said Orange & Alexandria Railroad Company shall assume the payment of all debts due by said Manassas Gap Railroad Company, in the following manner and form and none other: that is to say, the President and Directors of the Orange & Alexandria Railroad Company shall adjust and settle the said debts with the creditors on terms deemed equitable by said President and Directors and said creditors, having regard to the present financial condition of the Manassas Gap Company and the value of their assets hereby transferred, and the said debts shall and may be paid by the issue of the bonds of the said Orange & Alexandria Railroad Company to the creditors aforesaid, according to their respective amounts as agreed on and adjusted by said President and Directors and creditors, or in such other mode as said parties may adopt, and thereupon said bonded creditors shall release their securities for their said debts, on the acceptance of the said substituted bonds, or such other mode of payment, and it is expressly understood as a fundamental condition of this contract that the Orange & Alexandria Railroad Company shall not be bound for more or a greater amount of said debts, or in any other or different proportions or mode of payment than shall be finally adopted and agreed upon by the President and Directors of the Orange & Alexandria Railroad Company and the creditors as aforesaid, and further it is agreed that the charges for transportation of local freights and passengers shall be the same *pro rata* on the lines of the Manassas Gap and Orange & Alexandria Railroads.

"That two Directors be added to the Board of the Orange & Alexandria Railroad as now constituted, to be elected by the stockholders, of whom one shall be taken from the Piedmont and one from the Valley counties on the line of the Manassas Gap Railroad.

"And further, it is agreed that all the property, rights, charter, franchises and stock granted and transferred to the said Orange & Alexandria Railroad Company by this deed shall be forfeited and revert to the Manassas Gap Company and its stockholders on the failure of the said Orange & Alexandria Railroad Company to comply with and perform the stipulations and conditions to be performed on its part. But it is expressly agreed that the right given to the Manassas Gap Company by Act of Assembly, passed February 2, 1866, to construct a railroad between Strasburg and Winchester is not hereby conveyed or transferred to the said Orange & Alexandria Railroad Company, and it is agreed that the Orange & Alexandria Railroad Company shall assume and be known by the name of the Orange, Alexandria & Manassas Railroad Company, it being distinctly understood that the whole capital stock of the Manassas Gap Railroad Company is absolutely surrendered and extinguished.

Witness the signatures of the Presidents of the said Companies, and the seals of the said Companies.

Witness, (Signed,)		
DANIEL MORGAN, } JNO. S. GREENE, } A. H. JOHNSON, }	EDW'D C. MARSHALL, Pres't Manassas R. R. Co.	{ Seal of M. G. R. R. Co. }
(Signed.)	The Orange & Alexandria R. R. Co.	{ Seal of O. & A. R. R. Co. }
	By JOHN S. BARBOUR, Prest.	

STATE OF VIRGINIA, }
COUNTY OF ALEXANDRIA, To-wit: }

I, L. Wilber Reid, a Notary Public for the county aforesaid, in the State of Virginia, do certify that John S. Barbour, President of the Orange & Alexandria Railroad Company, whose name is signed to the above writing, bearing date on the 25th day of July, 1867, has acknowledged the same before me in my county aforesaid.

Given under my hand this 29th day of July, 1867.

(Signed.) L. WILBER REID, Notary Public.

At a meeting of the Stockholders of the Orange, Alexandria & Manassas Railroad Company, held in Alexandria on Thursday, the 30th day of November, 1871.

* * * * *

The following resolution was unanimously adopted:

"Resolved, That this Company accepts the Act of the General Assembly, passed February 14th, 1867, entitled 'An Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock-shares in the same to the Orange & Alexandria Railroad Company,' and also accepts the Act ancillary to the above recited Act, passed April 29, 1867, and does hereby ratify and confirm the contract made and entered into, in pursuance of said Acts, between Edward C. Marshall, President of the Manassas Gap Railroad Company, and John S. Barbour, President of the Orange & Alexandria Railroad Company, which contract is dated February 25, 1871."

* * * * *

At the same called meeting of the Stockholders of the Orange & Alexandria Railroad Company, held on the 24th of April, 1867, the following resolution was adopted:

"*Resolved*, That the President and Directors of the Orange and Alexandria and Manassas Railroad Company, when duly organized under the Act of 14th February, 1867, be authorized to mortgage the franchise and property of said Company to an amount not exceeding two millions of dollars, for the purpose in said Act specified, and that they be authorized to issue the stock of said Company to an amount not exceeding one million of dollars."

Two Directors were added to the existing Board of the Orange & Alexandria Railroad Company according to the terms of the contract of consolidation, and *Ed. C. Marshall*, the former President of the Manassas Gap Railroad Company, and *Sam'l A. Coffman* were elected.

The *First Annual Meeting* of the Stockholders of the Orange, Alexandria & Manassas Railroad Company was held in Alexandria November 21st, 1867.

At this meeting committees from Danville and Lynchburg were present urging the extension of the Road to Danville, but no action was taken. The same officers were re-elected including the two Directors added to the Board on the consolidation in the April previous. John G. Meem, Lewis B. Williams and C. F. Suttle represented the State.

The *Second Annual Meeting* was held in Alexandria on November 26th, 1868.

Col. *Wm. W. Blackford*, the President of the Lynchburg & Danville Railroad, was present, and supported by a committee of citizens from the line of his road, urged the claims of his road upon the meeting.

The following resolution was adopted:

"The Stockholders of this Company recognize the great importance to the interest of this Company of the early construction of the Lynchburg & Danville Railroad, and declare their purpose to unite in the prosecution of that work with the communities immediately interested therein. Therefore,

"*Resolved*, That the President and Directors of this Company be, and are hereby authorized and empowered to make such subscription to the capital stock of the Lynchburg & Danville Railroad Company and to extend to that Company such aid as may, in their judgment, promote the interests of this Company."

The old officers were re-elected. The State Directors were

Robt. Beverly, G. C. Wedderburn, M. D. Corse and E. P. Taliaferro.

In the year 1869 no meeting of Stockholders took place in consequence of a military order No. 228, issued by Gen. Canby, then commanding "District No. 1," which, theretofore for several centuries had been known as "Virginia." This order directed that all elections for President, Directors or other officers of this Company, by the stockholders, should be dispensed with until after the State had been fully reconstructed. The order does not set forth in what manner the general welfare of the people of the United States would have been affected by the election of a Directory by the stockholders of this Company, but whatever danger to the country might have been apprehended from such action on the part of the stockholders was averted by the prompt action of the General commanding in suppressing their meeting.

The *Third Annual Meeting* was held on the 23d of November, 1870, at Alexandria.

At this meeting the Board was increased to twelve, of whom *eight* should be elected by the private stockholders and *four* should be appointed by the Board of Public Works. The old officers were elected by the stockholders, and *Charles M. Blackford*, of Lynchburg, and *C. F. Suttle*, of Alexandria, were elected in addition. The State Directors were the same who served the last year.

A *Called Meeting* of the stockholders was held at Alexandria on the 14th of September, 1871. It was called to consider the Act of the Legislature providing for a sale of the State's interest in the works of internal improvement, including the Orange, Alexandria & Manassas Railroad Company.

The following resolution, offered by Mr. C. M. Blackford, was adopted:

"WHEREAS, By an Act of the General Assembly, approved March 28th, 1871, entitled 'An Act directing the Board of Public Works to sell the State's interest in the various internal improvement companies of the Commonwealth,' the Board of Public Works is authorized and directed to sell to each Railroad

and Internal Improvement Company in this State the interest of the State in the same, including all bonds, stocks, loans and claims (for the sale of which provision had not heretofore been made by law) for an equal amount of State bonds; and, whereas, the said Act provides that any Company desiring to avail itself of the provisions of said Act shall signify to the Board of Public Works its acceptance of the same within six months from its passage, and that thereupon it shall become binding and obligatory upon it; and, whereas, it is deemed advisable by this Company to accept the provisions of said Act, so far as the same may apply to it. Now, therefore,

"1. *Be it Resolved by the Stockholders of the Orange, Alexandria & Manassas Railroad Company in general meeting assembled*, That the Company accepts the Act of the General Assembly, approved March 28th, 1871, entitled 'An Act directing the Board of Public Works to sell the State's interest in the various Internal Improvement Companies of the Commonwealth,' so far as the provisions of said Act apply to the interest of the State in this Company, upon the terms and conditions and with the privileges in said Act contained.

"2. That the President of this Company is hereby directed to notify the Board of Public Works of the acceptance by this Company of the provisions of said Act."

Also the following :

"*Resolved*, That this Company accepts the Act of the General Assembly of Virginia in force March 21st, 1871, entitled 'An Act to authorize the Orange, Alexandria & Manassas Railroad Company to connect the eastern portion of their Road with the southwestern extension from Charlottesville to Lynchburg.'"

The Fourth Annual Meeting was held in Alexandria on November 30th, 1871. The same officers re-elected.

The President offered the following, which were adopted:

"*Resolved by the Stockholders of the Orange, Alexandria & Manassas Railroad Company in general meeting assembled*, I. That this Company accepts the Act of the General Assembly of Virginia, approved January 14th, 1871, entitled 'An Act to authorize the consolidation of the Orange, Alexandria & Manassas Railroad Company and the Lynchburg & Danville Railroad Company,' and also empowers the Directory of the Company to negotiate suitable terms of contract with the Lynchburg & Danville Railroad Company, and report the same for acceptance to this Company at some future meeting.

"II. That this Company accepts the Act of the General Assembly, approved March 4th, 1871, entitled 'An Act to authorize the Orange, Alexandria & Manassas Railroad Company, or the Virginia & North Carolina Railroad Company, to recall all outstanding certificates of capital stock and issue other and uniform certificates.'

"III. That this Company accepts the Act of the General Assembly of Virginia, approved March 6th, 1871, entitled 'An Act to authorize the Orange, Alexandria & Manassas Railroad Company to acquire and sell lands.'

"IV. That this Company accepts the Act of the General Assembly of Virginia in force March 30th, 1871, entitled 'An Act to authorize the Orange, Alexandria & Manassas Railroad Company to endorse or guarantee bonds of the Lynchburg & Danville Railroad Company, and certain cities, counties and towns for subscription to the stock of said last-named Company.'

"V. That this Company accepts the Act of the General Assembly, passed

February 14th, 1867, entitled 'An Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock shares in the same, to the Orange and Alexandria Railroad Company, and also accepts the Act amendatory to the above-recited Act, passed April 29th, 1867, and does hereby ratify and confirm the contract made and entered into, in pursuance of said Acts, between Edward C. Marshall, President of the Manassas Gap Railroad Company, and John S. Barbour, President of the Orange and Alexandria Railroad Company, which contract is dated February 25th, 1871."

The Fifth Annual Meeting of the Company was held in Alexandria on Wednesday, the 27th of November, 1872.

This meeting considered the contract agreed upon by Directors of the Orange, Alexandria and Manassas and the Lynchburg and Danville Railroad Companies, for the consolidation of the two Companies, and ratified by the stockholders of the Lynchburg and Danville Railroad Company on the 15th of October last :

REPORT OF JOINT COMMITTEE.

The undersigned, to-wit: J. S. Barbour, R. A. Coghill, W. D. Hart, W. G. Cazenove and M. D. Corse—

And J. S. Barbour, Peter W. Hairston, T. C. S. Ferguson, George D. Davis, G. T. Pace and Fleming Saunders—

Appointed committees by the Directors, respectively of the Orange, Alexandria and Manassas Railroad Company, and the Lynchburg and Danville Railroad Company, to consider and report to said Boards the terms on which the said Companies should be consolidated as authorized by an Act of the General Assembly, respectfully report:

That they have maturely considered the subject and are of opinion, and so report, that said consolidation should be effected on this basis.

1. The stock-shares of said consolidated Companies should be of the par value of \$50 each.

2. The stock of the said Orange, Alexandria and Manassas Railroad Company of \$50 to the share, and of said Lynchburg and Danville Railroad Company of \$100 to the share, so far as subscribed to or issued at this time, should be considered of equal par value, and each stockholder of said Companies should receive stock of the consolidated Company to an amount equal to the par value of the stock held by him, the stockholder of the one Company receiving share for share, and in the other receiving two shares for each share so held.

3. Said consolidated Company should have authority to issue stock exclusive of that now subscribed for or issued, to an amount not exceeding the amount now authorized by law to be issued by said two Companies.

4. No discrimination should be made in the transportation of persons or property on the line of said consolidated road in favor or against any of the cities or towns on said line.

We think that a contract should be made between the two Companies on this basis, and thereby all the objects contemplated by the Act of Assembly will be attained, as by the Act all rights of property and franchises held by

either Company vest in the consolidated Company, when consolidation is effected according to its provisions.

Signed :

J. S. BARBOUR, President,
R. A. COGHILL,
WM. D. HART,
W. G. CAZENOVE,
M. D. CORSE,

Committee on the part of the Orange, Alexandria and Manassas Railroad Company.

Signed :

J. S. BARBOUR, President,
PETER W. HAIRSTON,
T. C. S. FERGUSON,
GEORGE D. DAVIS,
G. T. PACE,
FLEMING SAUNDERS,

Committee on the part of the Lynchburg and Danville Railroad Company.

CONTRACT.

Acting under and in accordance with an Act of the General Assembly of Virginia, approved January 14th, 1871, entitled "An Act to authorize the consolidation of the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company," the said Orange, Alexandria and Manassas Railroad Company and the said Lynchburg and Danville Railroad Company, having heretofore respectively accepted the provisions of said Act of Assembly, do now mutually agree and contract :

I. That the said Railroad Companies are hereby consolidated and formed into one Company, under the name of "The Virginia and North Carolina Railroad Company."

II. That the charter and all the rights, authorities, privileges, property, franchises, effects and estate of each of the said Companies shall pass and enure to the said consolidated Company.

III. That the shares of the capital stock of the said consolidated Company shall be of the par value of fifty dollars; and each stockholder of said Orange, Alexandria and Manassas Railroad Company, and of said Lynchburg and Danville Railroad Company, shall receive stock of the consolidated Company to an amount equal to the par value of the stock held by him in each of said Companies; that is to say, the stockholder of the Orange, Alexandria and Manassas Railroad Company for each share of stock held by him in his said Company shall receive one share of stock in the consolidated Company, and the stockholder of the Lynchburg and Danville Railroad Company for each share of stock held by him in his said Company shall receive two shares of the stock in the consolidated Company.

IV. That said consolidated Company is authorized to issue stock, exclusive of that now subscribed for or issued in the said two Companies respectively, to an amount not exceeding the amount now authorized by law to be issued by said two Companies.

V. That no discrimination shall be made in the transportation of persons or property on the line of said consolidated Company's road, in favor of or against any of the cities or towns on said line.

In testimony whereof John S. Barbour, the President of the Orange, Alexandria and Manassas Railroad Company, by direction of the Board of Directors of said Company, has hereunto affixed his hand and caused the official seal of the said Company to be attached; and John S. Barbour, the President

of the Lynchburg and Danville Railroad Company, by direction of the Board of Directors of said Company, has hereunto affixed his hand and caused the official seal of said Company to be attached; all of which is done this 15th day of October, 1872.

The Orange, Alexandria and Manassas Railroad Company. By
 [SEAL.] J. S. BARBOUR, President.
 The Lynchburg and Danville Railroad Company. By
 [SEAL.] J. S. BARBOUR, President.

Maj. James Barbour offered the following resolution :

"Resolved, That the contract made and entered into between the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company on the 15th day of October, 1872, whereby the said Companies are consolidated, be and hereby is ratified and confirmed on the part of the said Orange, Alexandria and Manassas Railroad Company; and the President of this Company be authorized to take such steps in connection with the Lynchburg and Danville Railroad Company as may be necessary to complete said consolidation."

Mr. J. S. Barbour explained the action of the Boards of the two roads, and the advantages to arise from the consolidation. He stated that application would be made to the Legislature for a more appropriate and descriptive name than the "The Virginia and North Carolina Railroad Company."

The resolution was unanimously adopted :

Capt. C. M. Blackford then offered the following resolutions, which were unanimously adopted :

1. *Resolved, That this Company accepts the Act of the General Assembly of Virginia, approved March 23d, 1872, entitled "An Act to amend and reenact the first section of an Act to authorize the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of its mortgage debt, approved March 31st, 1871."*

2. *Resolved, That this Company accepts the Act of the General Assembly of Virginia, approved March 25th, 1872, entitled "An Act to authorize the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company to lease or otherwise acquire certain railroads."*

The old officers were elected by the private stockholders, and M. D. Corse, Eppa Hunton, T. C. S. Ferguson, and H. W. Thomas, represented the State as Directors.

This was the last meeting of the stockholders of the Orange, Alexandria and Manassas Railroad Company.

The following Acts of the General Assembly relate to the
ORANGE, ALEXANDRIA AND MANASSAS RAILROAD COM-
PANY, and its Rights, Interests and Franchises :

An Act to authorize the transfer of the property, charter and franchises of
Manassas Gap Railroad Company, and the stock shares in the same, to
the Orange and Alexandria Railroad Company.

[Passed February 14th, 1867.]

WHEREAS, a petition has been presented to the General Assembly by the
President of the Manassas Gap Railroad Company, setting forth that a con-
tract is being negotiated between said Company and the Orange and Alexan-
dria Railroad Company, whereby the charter, franchises and all the property
of the Manassas Gap Railroad Company shall be transferred to and be vested in
the Orange and Alexandria Railroad Company; and, also, whereby all the
stock held in said Company, whether by the State, by the city of Alexandria,
by counties, or by individuals, shall, with the consent of the stockholders, be
transferred to and be merged in the said Orange and Alexandria Railroad
Company, upon the said last mentioned Company complying with and perform-
ing the terms, stipulations and conditions herein set forth, to wit: That the
Orange and Alexandria Railroad Company shall commence the rebuilding and
construction of the Manassas Gap Railroad within four months from the pas-
sage of this Act, and complete it to Harrisonburg within two years from said
date; and that the said Orange and Alexandria Company shall assume the
payment of all debts due by said Manassas Gap Railroad Company, whether
bonded or floating, and whether now ascertained or to be ascertained. And
that the charges for transportation of local freights and passengers shall be
the same, pro rata, on the lines of the Manassas Gap and Orange and Alex-
andria Railroads, and that two Directors be added to the Board of the Orange
and Alexandria Railroad as now constituted to be elected by the Stockholders,
of whom one shall be taken from the Piedmont and the other from the Val-
ley counties on the line of the Manassas Gap Road: and that all the property,
rights, charter, franchises and stock granted and transferred to said Orange and
Alexandria Railroad Company by the contract, shall be forfeited and revert
to the Manassas Gap Company, and its stockholders, on the failure of the
said Orange and Alexandria Railroad Company to comply with and perform
the condition and stipulations of said contract; and whereas said petition sets
forth that it is necessary in order to give validity to said contract, and to carry
it into effect that an Act of the Assembly authorizing it to be entered into, shall
be obtained: and further, that to enable the said Orange and Alexandria Rail-
road Company to obtain the money to complete and equip the said Manassas
Gap Railroad, it should be authorized by law to borrow a sum not exceeding
two million dollars, to issue the bonds of said Company, and to mortgage both
its own Road and the newly acquired Manassas Gap Road, to secure the pay-
ment of said loan, and it is deemed expedient by the said General Assembly
that the prayer of the petitioner be granted. Now, therefore,

1. *Be it enacted*, That the said companies be, and they are, hereby authoriz-

ed and empowered to enter into a contract containing substantially the provisions set forth, and with the conditions and restrictions above recited.

2. That when the proposed agreement between the two companies is effected and confirmed by the stockholders of both companies, the charter, franchises, (except the right given the Manassas Gap Railroad Company, by the Act of Assembly passed February second, eighteen hundred and sixty six, to construct a railroad between Strasburg and Winchester) the road, and all the property and rights of the Manassas Gap Railroad Company, be transferred to, and the title to the same be vested in, the said Orange and Alexandria Railroad Company.

3. That when the transfer of charter is determined upon by the respective companies, the Orange and Alexandria Railroad may assume and be known by the name of the Orange, Alexandria and Manassas Railroad Company.

4. That for the purpose of rebuilding and equipping the line from Manassas Junction to Harrisonburg, the Orange, Alexandria and Manassas Company shall have power to increase the capital stock of the Company by one million dollars, and to issue its stock for the same, and shall have authority to borrow two million dollars, issue the bonds and mortgage the lines of the Orange, Alexandria and Manassas Railroad for the payment of the loan; provided a branch from some suitable point on said railroad to New Market, in Shenandoah county, may be made, provided the citizens of said town and vicinity shall subscribe to the capital stock of said railroad the sum of ten thousand dollars, to be applied to the construction of said branch of said railroad.

5. The said Company shall have the right with the consent of the Valley Railroad Company to extend their road from Harrisonburg to the terminal point as fixed in its charter, and for this purpose shall have all the powers conferred by the Code and Laws of Virginia, and may increase its capital stock not exceeding two million dollars, and borrow such sums of money as may be necessary, and execute liens upon its property and revenues to secure the payment of the principal and interests thereof; provided, however, said railroad shall not be extended beyond the town of Buchanan in the county of Botetourt.

6. This Act shall be in force from its passage."

An Act to amend the preamble of the Act passed February 14, 1867, entitled An Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock shares in the same, to the Orange and Alexandria Railroad Company.

[Passed April 29, 1867.]

1. *Be it enacted*, That the preamble of the Act passed the fourteenth of February, eighteen hundred and sixty-seven, entitled an Act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock shares in the same, to the Orange and Alexandria Railroad Company, be amended and re-enacted so as to read as follows:

"WHEREAS, A petition has been presented to the General Assembly by the President of the Manassas Gap Railroad Company, setting forth that a contract is being negotiated between said Company and the Orange and Alexandria Railroad Company, whereby the charter, franchises and all the property of the Manassas Gap Railroad Company shall be transferred to and be vested in the Orange and Alexandria Railroad Company; and also, whereby all the stock held in said Company, whether by the State, by the city of Alexandria, by counties and towns, or by individuals, shall, with the consent of the stockholders,

be transferred to and be merged in the said Orange and Alexandria Railroad Company, upon the said last mentioned Company complying with and performing the terms, stipulations and conditions herein set forth, to-wit: That the Orange and Alexandria Railroad Company shall commence the rebuilding and construction of the Manassas Gap Railroad within six months from the passage of this Act, and complete it to Harrisonburg within two years from said day; and that the said Orange and Alexandria Railroad Company shall assume the payment of all debts due by said Manassas Gap Railroad Company, whether bonded or floating, and whether now ascertained or to be ascertained; and that the charges for transportation of local freights and passengers shall be the same, *pro rata*, on the lines of the Manassas Gap and Orange and Alexandria Railroads; and that two directors be added to the Board of the Orange and Alexandria Railroad as now constituted, to be elected by the stockholders, of whom one shall be taken from the Piedmont and the other from the Valley counties, on the line of the Manassas Gap road; and that all the property, rights, charter, franchises and stock granted and transferred to the said Orange and Alexandria Railroad Company by the contract, shall be forfeited and revert to the Manassas Gap Company and its stockholders on the failure of the said Orange and Alexandria Railroad Company to comply with and perform the conditions and stipulations of said contract; and whereas, said petition sets forth that it is necessary, in order to give validity to said contract and to carry it into effect, that an Act of Assembly, authorizing it to be entered into, shall be obtained; and further, that to enable the said Orange and Alexandria Railroad Company to obtain the money to complete and equip the said Manassas Gap Railroad, it should be authorized by law to borrow a sum not exceeding two million dollars, to issue the bonds of said Company, and to mortgage both its own road and the newly acquired Manassas Gap road, to secure the payment of said loan, and it is deemed expedient by the said General Assembly that the prayer of the petitioner be granted. Now therefore."

2. This Act shall be in force from its passage.

An Act to authorize the consolidation of the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company.

[Approved January 14th, 1871.]

1. *Be it enacted by the General Assembly*, That the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company, be and they are hereby authorized to consolidate and form one Company under the name of The Virginia and North Carolina Railroad Company, upon such terms, not inconsistent with the laws regulating railway corporations, as may be agreed upon by said companies: provided, that such consolidation shall be approved and such agreement ratified and confirmed by a majority of the stockholders of each of said companies present or represented at any annual meeting thereof, or at a meeting of said stockholders called for the purpose, thirty days' public notice of the time and place of holding the same, and the object thereof, having been given, and any subscription made or which may be made by either company to the stock of the other, before such consolidation is hereby declared legal and valid.

2. When said consolidation is effected, as aforesaid, the charter, all the rights, authorities, privileges, franchises, effects and estate of the said companies shall pass and enure to the said consolidated company, by virtue of this act.

3. This Act shall be in force from its passage.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company, or the Virginia and North Carolina Railroad Company to recall all outstanding certificates of capital stock and issue other and uniform certificates.

[Approved March 4th, 1871.]

1. *Be it enacted by the General Assembly*, That authority be given to the Orange, Alexandria and Manassas Railroad Company (or when consolidated with the Lynchburg and Danville Railroad Company), the Virginia and North Carolina Railroad Company, to recall and cancel, with the consent of the holder, all outstanding certificates of capital stock issued by the Orange and Alexandria Railroad Company, the Orange, Alexandria and Manassas Railroad Company, (in the event of the consolidation aforesaid), the Lynchburg and Danville Railroad Company, and issue to the holders other and uniform certificates, without regard to the character of the original certificates.

2. This act shall be in force from its passage.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company to acquire and sell lands.

[Approved March 6th, 1871.]

1. *Be it enacted by the General Assembly*, That it shall be lawful for the Orange, Alexandria and Manassas Railroad Company to acquire by purchase, hold in fee simple, and sell lands along its railway, and within five miles thereof, and issue bonds or certificates of stock for amount of such purchases, and execute a mortgage or trust deed on said lands, or any part thereof, to secure the debt or liability thus incurred: provided, the lands thus acquired shall not exceed two hundred thousand acres and shall not be held for longer than fifteen years, except for village lots, depots, machine shops, and other necessary purposes, connected with the business of said company.

2. This Act shall be in force from its passage.

An Act directing the Board of Public Works to sell the State's interest in the various Internal Improvement Companies of the Commonwealth.

[Approved March 28th, 1871.]

1. *Be it enacted by the General Assembly*, That the Board of Public Works be and the same is hereby authorized and directed to sell to each railroad and internal improvement company in the State, the interest of the State in the same, including all bonds, stocks, loans, and claims (for the sale of which provision has not already been made by law), for an equal amount of State bonds, except the stock held by the State in the Richmond and Petersburg Railroad Company, which stock the Board of Public Works is hereby authorized and directed to sell to Henry K. Ellyson, Joseph R. Anderson, Isaac Davenport, Jr., Fred R. Scott, Franklin Stearns, John B. Davis, James H. Cox, A. F. Harvey and Reuben Ragland, at the rate of one hundred and fifty dollars for each share of said stock, payable in registered or coupon bonds of the State of Virginia, at par, within six months after the passage of this act, according to the provisions of a proposal to purchase said stock, signed and sealed by the parties aforesaid, and dated on the sixth day of March, eighteen hundred and seventy-one; which proposal is hereby accepted and made a binding contract between the State and the said parties; and the Clerk of the House of Delegates, with whom the said contract is now filed, is instructed, on the passage of this act, to deliver it to the Board of Public Works: provided, that before this

sale shall be made, the Board of Public Works shall obtain from the Richmond and Petersburg Railroad Company a valid contract, binding said company to allow any connecting work all proper facilities in aid for the formation of a physical junction with the railway track of the same, and that it shall make no higher rates of charge on freights and passengers coming from the line of any such connecting work, and destined for the line of any such connecting work, than is made by said company, or the like class of freights and passengers for transportation on its own line for the same distance; provided, such connecting work shall observe the same rule in its charges for the transportation of such freights and passengers, and to permit the Atlantic, Mississippi and Ohio Railroad Company to build and construct a road track upon its road bed and across its bridges for its own use, upon such terms as may be agreed upon between the said companies; and if they fail to agree, then upon such terms as may be fixed by the Board of Public Works, as an arbiter between them; and provided further, that if the sale provided for in this section shall, for any cause, not be completed within six months from the passage of this act, then the Board of Public Works is hereby empowered and expressly directed to sell the State's interest in the Richmond and Petersburg Railroad to the Atlantic, Mississippi and Ohio Railroad for one hundred and fifty dollars in State bonds for every share of said stock.

2. Any company desiring to avail itself of the provisions of this act, shall signify to the Board of Public Works its acceptance of the same within six months from its passage, and thereupon it shall become binding and obligatory upon it.

3. Any company accepting the provisions of this act, shall, within twelve months from the passage of the same, deposit with the Treasurer of the Commonwealth, State bonds to an amount equal to one-sixth of the whole interest of the State in said company, whether the same consist of stock, bonds, or claims; and the fact of such deposit shall be certified by the Treasurer to the Board of Public Works, who shall thereupon surrender to said company an equal amount of the State's interest in such company. And said company shall, every twelve months thereafter, make a like deposit, and the Board of Public Works shall surrender a like interest, until the whole interest of the State shall have been paid for and surrendered; it being the intent and meaning of this act that the interest of the State shall be sold and the same purchased by the company, in six equal instalments, the first to be made within twelve months from the passage of this act, and one instalment every twelve months thereafter, until the whole purchase shall have been completed. But such company may anticipate all or any of said instalments, and receive such interest as it may pay for, from time to time.

4. In any purchase and transfer, under the provisions of this act, that interest which is the least valuable, shall be first purchased and surrendered, and the claims and securities held by the State shall continue to draw interest, and the same shall be paid as now provided by law, so long as the same are held by the State. And upon the transfer, by the Board of Public Works, to any Company, of any stock, under the provisions of this act, every stockholder shall be entitled to cast one vote for each share of stock held in the company, at all meetings of the stockholders thereafter held. And the stockholders shall determine what disposition shall be made of the stock so transferred and acquired, with power to extinguish, reissue, sell or hypothecate the same, after the whole interest of the State in such company shall have been paid for; but whilst said stock is held by the company it shall not be voted on in any meeting of the stockholders of said company.

5. If any company, after accepting this act, shall make default in the payment of any of the instalments as herein provided, the Board of Public Works is authorized and directed, after sixty days' notice to said company, to take such steps as to it may seem for the best interest of the State to enforce the conditions of the same; and for that purpose may institute a suit or suits for

the recovery of the amount due, or if the State prefer, then the defaulting company shall, after a lapse of three months from and after such default, return to the State all stocks, bonds, loans and claims acquired by it under this act, and the State shall be as fully reinvested with all its rights over and to the same, as if this act had not been passed, and thereupon the State bonds delivered to the State by said defaulting company shall be returned to said Company, but without interest while remaining in the State Treasury. And further, upon the happening of such default by said company, the State shall have one vote for each share of stock owned or held by it in the company so defaulting.

6. The privilege of purchasing the interest of the State in any work of internal improvement, under the provisions of this Act, shall remain in such Company unimpaired for six months after the passage of this act, within which time the stockholders of such Company, in general meeting assembled, may waive any exemption from taxation now enjoyed by them, whether such exemption is allowed by its charter or by law, and if the Company shall so waive the exemption, this Act shall, for the future, be taken to be a part of such charter, as fully as if specially re-enacted with reference to such Company; and should no such meeting of stockholders be called, or if called, shall refuse to make such formal waiver of exemption from taxation, then the Board of Public Works shall proceed to sell the interest of the State in such work of internal improvement, in the manner prescribed by section eight of this Act.

7. All State bonds and stocks received by the Treasurer under the provisions of this Act, shall be by him forthwith turned over to the Second Auditor, who shall hold the same, subject to the future action of the General Assembly.

8. If any internal improvement company of the State shall fail or refuse to accept the provisions of this Act within six months after its passage, then the Board of Public Works are hereby authorized and directed to sell the stocks and interest held by the State in said Companies, to the highest bidder, at public auction, after sixty days' notice, published in the papers of the city of Richmond, for the best price that can be obtained for them, payable in the bonds of the State at their par value. At any such sale, any Company may become a purchaser of the State's interest in said Company. But no such sale shall be made under the authority of this Act for less than the original cost of said stocks and interest, or for less than the market value thereof.

9. This Act shall be in force from its passage.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company to connect the eastern portion of their road with the southwestern extension from Charlottesville to Lynchburg.

[In force March 23, 1871.]

1. *Be it enacted by the General Assembly*, That the Orange, Alexandria and Manassas Railroad Company be authorized to construct a railway from Orange Courthouse, or Gordonsville, or some point on the line of their road between those places, to some suitable point on their road between Charlottesville and Lynchburg, or on the Chesapeake and Ohio Railroad, so as to connect the eastern portion of their road with the southwestern extension from Charlottesville to Lynchburg; and for that purpose, and for providing the necessary equipment and fixtures for the same, the said Company shall have power to increase its capital stock to one million dollars, and to issue its stock for the same.

2. This Act shall be in force from the acceptance thereof by said Company.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company to endorse or guarantee bonds of the Lynchburg and Danville Railroad Company, and certain cities, counties and towns, for subscription to the stock of said last named Company.

[In force March 30, 1871.]

1. *Be it enacted by the General Assembly*, That authority be given to the Orange, Alexandria and Manassas Railroad Company to endorse or guarantee bonds of the Lynchburg and Danville Railroad Company, to an amount not exceeding twenty thousand dollars to the mile; and the bonds of the counties of Campbell and Pittsylvania, the city of Lynchburg and the town of Danville, for subscriptions to the stock of said Lynchburg and Danville Railroad Company.

2. This Act shall be in force from its passage.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of its mortgage debt.

[Approved March 31, 1871.]

1. *Be it enacted by the General Assembly*, That to enable the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of the bonds and funded interest secured by the several mortgages executed by said Company, and by the Orange and Alexandria Railroad Company, it shall be lawful for said Company to issue bonds of said Company to an amount not exceeding six millions of dollars; at such rates of interest not exceeding that allowed by law, as may be deemed expedient, and to secure payment of principal and interest by one or more deeds of trust or mortgages on the franchises, tolls, receipts and whole property, real and personal, of said Company; provided, that nothing herein contained shall affect or impair in any manner the interest which the State has in certain preferred stock guaranteed by said Orange and Alexandria Railroad Company; but any mortgage or deed of trust executed under this Act shall be subject to the interest of the State in said guaranteed stock, and to the claim of the State against said Company on account of dividends, which are already or may hereafter become due thereon.

An Act to amend and re-enact the first section of "An Act to authorize the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of its mortgage debt," approved March 31st, 1871.

[Approved March 23, 1872.]

1. *Be it enacted by the General Assembly of Virginia*, That the first section of the "Act to authorize the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of its mortgage debt," approved March 31st, 1871, be amended and re-enacted so as to read as follows:

SEC. 1. *Be it enacted by the General Assembly*, That to enable the Orange, Alexandria and Manassas Railroad Company to consolidate and provide for the payment of the bonds and funded interest secured by the several mortgages executed by said Company, and by the Orange and Alexandria Railroad Company, it shall be lawful for said Company to issue bonds of said Company to an amount not exceeding six millions of dollars, at such rates of interest not exceeding that allowed by law, as may be deemed expedient, and to secure the payment of principal and interest by one or more deeds of trust or mortgages on the franchises, tolls, receipts, and whole property, real and personal, of said Company.

2. This Act shall be in force from its passage.

An Act to authorize the Orange, Alexandria and Manassas Railroad Company, and the Lynchburg and Danville Railroad Company, to lease, or otherwise acquire, certain railroads.

[Approved March 25, 1872.]

1. *Be it enacted by the General Assembly*, That the Orange, Alexandria and Manassas Railroad Company, and the Lynchburg and Danville Railroad Company, or either of them, be authorized, through their President and Directors, or otherwise, to contract with any railroad company within or beyond the State, for the acquisition, by lease or otherwise, of such railroad, its franchises and property, so as to complete the connections north and south of said Orange, Alexandria and Manassas Railroad and said Lynchburg and Danville Railroad, and to hold, use and enjoy the same in like manner as the proper franchises and property of said last named Companies are held and enjoyed.

4. This Act shall be in force from its passage.

HISTORY

— OF THE —

LYNCHBURG AND DANVILLE RAILROAD COMPANY,

FROM ITS ORGANIZATION TO ITS CONSOLIDATION WITH THE ORANGE,
ALEXANDRIA AND MANASSAS RAILROAD COMPANY, FORMING THE
VIRGINIA AND NORTH CAROLINA RAILROAD COMPANY, SUBSEQUENTLY
CALLED THE WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT
SOUTHERN RAILROAD COMPANY.

The first general meeting of the Stockholders of the Lynchburg and Danville Railroad Company was held at the Norvell House, in the City of Lynchburg, on Wednesday, November 15th, 1866. James M. Whittle presided, and Robt. E. Withers and Alex. McDonald acted as secretaries.

The Charter of the Company was read and accepted. It is as follows :

An Act incorporating the Lynchburg and Danville Railroad Company.

Passed February 21, 1866.

1. *Be it enacted by the General Assembly*, That it shall be lawful to open books of subscription in the City of Lynchburg, under the direction of F. B. Deane, Sam. McCorkle, Jno M. Warwick, D. W. Burton, Bowling Clark, C. H. Lynch, A. I. Clark, or any three of them, and in the town of Danville, under the direction of W. W. Keen, W. T. Sutherlin, J. C. Voss, J. M. Walker, W. M. Tredway, I. M. Whittle, L. M. Shoemaker, or any three of them, for the purpose of receiving subscriptions to an amount not exceeding two millions five hundred thousand dollars, in shares of one hundred dollars each, to constitute a joint capital stock for constructing a railroad from the City of Lynchburg to the town of Danville.

2. *Be it further enacted*, That whenever one hundred thousand dollars of the amount aforesaid shall have been subscribed, the subscribers, their executors, administrators and assigns, shall be and are hereby declared and constituted a

body politic and corporate under the name and style of THE LYNCHBURG AND DANVILLE RAILROAD COMPANY; and shall be entitled to all the privileges conferred and subject to all the restrictions and regulations imposed by the Code of Virginia, and Acts of the General Assembly amendatory thereof, so far as the same are applicable to and not inconsistent with this Act.

2. This Act shall be in force from its passage.

F. B. Deane, Esq., was elected President of the Company, and *E. F. Keen* and *Walter Coles*, of Pittsylvania, *A. I. Clark* and *J. S. Langhorne*, of Campbell, and *R. E. Withers*, of Lynchburg, were elected Directors.

The *First Annual Meeting* was held in Lynchburg on the 27th of November, 1867.

Mr. Deane having declined re-election, *Col. Wm. W. Blackford* was elected President in his stead, and Messrs. *G. T. Pace*, of Danville, and *J. C. Murrell*, were added to the Board of Directors instead *A. I. Clark* and *E. F. Keen*, who declined re-election.

A *Called Meeting* of stockholders was held in Lynchburg, on the 21st of May, 1868, but no business of importance was transacted.

An *Informal Meeting* was held on the 30th of November, 1868, but no business was transacted of importance.

The *Second Annual Meeting* of stockholders was held in Lynchburg, January 7th, 1869. On the motion of *Col. Wm. W. Blackford*, the former President of the Company, *Jno. S. Barbour, Esq.*, President of the Orange, Alexandria and Manassas Railroad, was elected President of the Company.

G. T. Pace, *Walter Coles*, *James F. Patton*, *C. H. Lynch*, *Geo. D. Davis*, *T. C. S. Ferguson*, and *Jno. S. Langhorne*, were elected Directors.

A General Meeting of stockholders was held June 15th, 1870, in Lynchburg. At this meeting the following resolution was adopted, among others:

"That authority be conferred upon the President and Directors to issue bonds to an amount not exceeding \$20 000 per mile, on the whole length of the road, bearing interest at a rate not exceeding eight per centum per annum and to run for a period not exceeding thirty years after date, and to execute the necessary mortgage or deed of trust upon the property and franchises of the Company to secure the payment of the same."

A General Meeting of the Company was held January 11th, 1871, in Lynchburg.

Jno. S. Barbour, Esq., was re-elected President.

The following Directors were elected: G. T. Pace, W. T. Clark, Walter Coles, W. E. Sims, P. W. Hairston, Geo. D. Davis, T. C. S. Ferguson, J. S. Langhorne, Jas. M. Booker, and Fleining Saunders.

A General Meeting of the Company was held in Lynchburg on the 22d of November, 1871.

The following resolution was adopted:

"WHEREAS, By an Act of the General Assembly, passed January 14th, 1871, the Lynchburg and Danville Railroad Company and the Orange, Alexandria and Manassas Railroad Company were authorized to consolidate and form one Company, under the name of the *Virginia and North Carolina Railroad Company*, upon certain terms therein mentioned. Now, therefore, be it

Resolved, That this Company accepts the provisions of said Act, and doth hereby authorize the President and Directors of this Company to take such steps as may be necessary to carry the same into effect whenever in their opinion it may be found advisable."

On the motion of C. M. Blackford, the following resolution was adopted:

Resolved, That this meeting extends a cordial greeting to the representatives now present of the proposed road from Danville to Statesville, and pledges to that interest its best wishes and most cordial co-operation."

At this meeting the old officers were re-elected.

A *General Meeting* of the Company was held October 14th, 1872, in Lynchburg. This meeting was called in accordance with the terms of the resolutions adopted on the 22d of November, 1871, looking to a consolidation of this Company with the Orange, Alexandria and Manassas Company.

The President reported the action of the joint committees appointed by the respective Boards of the two Companies and the contract of consolidation or merger which they recommended. These papers will be found at the close of the sketch of the history of the Orange, Alexandria and Manassas Railroad Company, heretofore given.

The following resolution, offered by C. M. Blackford, was then unanimously adopted:

"*Resolved*, That the contract made and entered into between the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company, whereby the said Companies are to be consolidated, be, and hereby is, ratified and confirmed on the part of said Lynchburg and Danville Railroad Company."

This of course was the last meeting of *The Lynchburg and Danville Railroad Company*.

The following Acts of the General Assembly relate to the
Lynchburg and Danville Railroad and its rights, interests and franchises:

An Act incorporating the Lynchburg and Danville Railroad Company.

[Passed February 21st, 1866.]

1. *Be it enacted by the General Assembly*, That it shall be lawful to open books of subscription in the city of Lynchburg, under the direction of F. B. Deane, Samuel McCorkle, John M. Warwick, D. W. Burton, Bowling Clark, Charles H. Lynch, A. I. Clark, or any three of them; and in the town of Danville, under the direction of William W. Keen, W. T. Sutherlin, J. C. Voss, J. M. Walker, William M. Tredway, J. M. Whittle, L. M. Shoemaker, or any three of them, for the purpose of receiving subscriptions to an amount not exceeding two million five hundred thousand dollars, in shares of one hundred dollars each, to constitute a joint capital stock for constructing a Railroad from the city of Lynchburg to the town of Danville.

"2. *Be it further enacted*, That whenever one hundred thousand dollars of the amount aforesaid shall have been subscribed, the subscribers, their executors, administrators and assigns, shall be, and they are hereby declared and constituted a body politic and corporate, under the name and style of The Lynchburg and Danville Railroad Company; and shall be entitled to all the privileges conferred, and subject to all the restrictions and regulations imposed by the Code of Virginia, and Acts of Assembly amendatory thereof, so far as the same are applicable to and not inconsistent with this Act.

3. This Act shall be in force from its passage.

An Act to amend and re-enact the 1st section of an Act incorporating the Lynchburg and Danville Railroad Company, passed February 21st, 1866.

[Passed April 26th, 1867.]

1. *Be it enacted by the General Assembly*, That the first section of an Act entitled an Act incorporating the Lynchburg and Danville Railroad Company, passed February twenty-first, eighteen hundred and sixty-six, be amended and re-enacted so as to read as follows:

1. *Be it enacted by the General Assembly*, That it shall be lawful to open books of subscription in the city of Lynchburg under the direction of F. B. Deane, Samuel McCorkle, John M. Warwick, D. W. Burton, Bowling Clark, Charles H. Lynch, A. I. Clark, or any three of them, and in the town of Danville under the direction of William W. Keen, W. T. Sutherlin, J. C. Voss, J. M. Walker, William M. Tredway, J. M. Whittle, L. M. Shoemaker, or any three of them, for the purpose of receiving subscriptions to an amount not exceeding two million five hundred thousand dollars, in shares of one hundred dollars each, to constitute a joint capital stock for constructing a railroad from

the city of Lynchburg to the town of Danville; and it shall be lawful for the Orange and Alexandria Railroad Company to subscribe to the stock to be issued for this purpose, and to pay such subscriptions in money, iron, rolling stock, or other railroad material, or to execute bonds therefor, upon terms to be agreed upon in each case by the parties, and without being in any manner held accountable as partners or otherwise except to the extent and in the manner provided by such contract.

2. This Act shall be in force from its passage.

An Act to amend the 1st section of an Act passed April 26th, 1867, entitled an act to amend and re-enact the 1st section of an act entitled an act incorporating the Lynchburg and Danville Railroad Company, passed February 21st, 1866.

[Passed April 29th, 1867.]

1. *Be it enacted by the General Assembly*, That the first section of an act passed April twenty-sixth, eighteen hundred and sixty-seven, entitled an act to amend and re-enact the first section of an act entitled an act incorporating the Lynchburg and Danville Railroad Company, passed February 21st, 1866, be amended and re-enacted so as to read as follows :

1. *Be it enacted by the General Assembly*, That it shall be lawful to open books of subscription in the City of Lynchburg, under the direction of F. B. Deane, Sam. McCorkle, Jno M. Warwick, D. W. Burton, Bowling Clark, C. H. Lynch, A. I. Clark, or any three of them, and in the town of Danville, under the direction of W. W. Keen, W. T. Sutherland, J. C. Voss, J. M. Walker, W. M. Tredway, J. M. Whittle, L. M. Shoemaker, or any three of them, for the purpose of receiving subscriptions to an amount not exceeding two millions five hundred thousand dollars, in shares of one hundred dollars each, to constitute a joint capital stock for constructing a railroad from the City of Lynchburg to the town of Danville; and it shall be lawful for the Orange and Alexandria Railroad Company, or in the event that the said Orange and Alexandria Railroad Company accepts the terms of the act passed Feb. 14th, 1867, entitled an act to authorize the transfer of the property, charter and franchises of the Manassas Gap Railroad Company, and the stock shares in the same, to the Orange and Alexandria Railroad Company, then for the Orange and Alexandria Railroad Company to subscribe to the stock to be issued for this purpose, and to pay such subscriptions in money, iron, rolling stock or other railroad material, or to execute bonds therefor upon terms to be agreed upon in each case by parties, and without being in any manner held accountable as partners or otherwise, except to the extent and in the manner provided in the contract.

2. This Act shall be in force from its passage.

HISTORY

—OF THE—

Washington City, Va. Midland and Great Southern Railroad Company,

FROM ITS ORGANIZATION UNTIL THE SALE OF ITS PROPERTY, RIGHTS
AND FRANCHISES BY A COMMISSIONER APPOINTED BY THE CIRCUIT
COURT OF THE CITY OF ALEXANDRIA, IN THE CHANCERY SUIT OF
GRAHAM, &C., VS THE WASHINGTON CITY, VIRGINIA MIDLAND AND
GREAT SOUTHERN RAILROAD COMPANY, AND OTHERS.

According to the Act of the General Assembly of Virginia, approved January 14, 1871, entitled "An Act to authorize the consolidation of the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company," and the contract entered into between the said two Companies in pursuance therewith on the 15th day of October, 1872, these two Companies were formed and took the name provided in said Act of "*The Virginia and North Carolina Railroad Company.*"

The stockholders of *The Virginia and North Carolina Railroad Company* convened in general meeting at Holcombe Hall, in the city of Lynchburg, on Tuesday the 8th day of April, 1873, pursuant to the following notice, duly published in the newspapers :

NOTICE.

ALEXANDRIA, VA., March 6, 1873.

In accordance with the authority vested in me as President by the resolutions adopted on the part of the stockholders of the Orange, Alexandria and

Manassas and the Lynchburg and Danville Railroad Companies accepting the Act of Assembly to legalize the consolidation of the two Companies under the name and style of the Virginia and North Carolina Railroad Company, and to ratify the contract entered into between said Companies for the purpose; and in further pursuance of resolutions adopted by the Board of Directors of each of the above named Companies to that effect, I hereby request the stockholders of the Lynchburg and Danville and of the Orange, Alexandria and Manassas Railroad Companies, who have become stockholders of the Virginia and North Carolina Railroad Company, as above recited, to assemble in the city of Lynchburg at 12 o'clock m., on the 8TH DAY OF APRIL next, to organize said consolidated Company, and to adopt such other measures as may be necessary and proper in the premises

JOHN S. BARBOUR,
President O., A. & M. and L. & D. Railroad Companies.

On motion Capt. Walter Coles, of Pittsylvania, was appointed chairman and L. W. Reid secretary of the two Companies, attended as secretary of the meeting.

Hon. John Manning, Col. J. Turner Morehead and Col. D. G. MacRae, of North Carolina, were present and addressed the meeting severally on the subject of the extension of the road into that State.

The following resolutions were adopted :

Resolved, That this Company accepts the Act of the General Assembly of Virginia, approved February 4, 1873, entitled "An Act to authorize the Virginia and North Carolina Railroad Company to assume and be known by the name of the Washington City, Virginia Midland and Great Southern Railroad Company."

Resolved, That this Company accepts the Act of the General Assembly of Virginia, approved February 15, 1873, entitled "An Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to issue bonds to provide for the payment of the bonds and debts of the Orange, Alexandria and Manassas Railroad Company, and of the Lynchburg and Danville Railroad Company of Virginia, and for other purposes."

Resolved, That this Company accepts the Act of the General Assembly, approved February 15, 1873, entitled "An Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to extend its railway from Alexandria to a point on the Potomac river opposite, or near to, or above the cities of Washington or Georgetown."

Resolved, That this Company accepts the Act of the General Assembly of Virginia, approved March 28, 1873, entitled "An Act to amend and re-enact an Act entitled an Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to acquire and sell lands, approved February 15, 1873."

Resolved, That in order to obtain upon loan the amount of money required by this Company for the discharge of all existing liens upon its property, for the completion of its line, and for the general improvement of its road, the President and Directors of this Company are authorized and empowered to execute, issue, sell and negotiate the bonds of this Company for an amount not exceeding eight millions of dollars; and to execute a mortgage or deed of trust upon all or any of the property and franchises of the Company to secure the payment of the principal and interest of the same, which said bonds shall be for such sums, at such rates of interest, payable at such times and places as the said

President and Directors may direct; and they are expressly authorized and empowered to include in said mortgage or deed of trust the railroad now constructed, or to be constructed, and any property now owned or to be hereafter acquired by the Company.

Resolved, That all action heretofore taken to complete the consolidation and organization of this Company is hereby ratified and approved.

Resolved, That this meeting regard with interest the extension of the line into North Carolina by the most eligible route for the development of the local and through traffic, and refer the matter to the President and Directors for consideration and such action as may be deemed expedient and consistent with the financial condition of the Company.

The State having sold its interest in this Road to the Baltimore and Ohio Railroad Company, all the Directors, as well as the President, were elected by the private stockholders. The officers elected were:

President, John S. Barbour of Alexandria.

<i>Directors,</i>	{	W. G. Cazenove, of Alexandria.
		C. F. Suttle, " "
		Ed. C. Marshall, " Fauquier.
		S. A. Coffman, " Rockingham.
		Dan'l F. Slaughter, of Culpepper.
		W. D. Hart, of Albemarle.
		Robt. A. Coghill, of Amherst.
		Chas. M. Blackford, of Lynchburg.
T. C. S. Ferguson, " "		
Wm. E. Sims, of Pittsylvania.		
G. T. Pace, of Danville.		
W. T. Clarke, of Danville.		

By accepting the Act passed February 4th, 1873, entitled "An Act to authorize the Virginia and North Carolina Railroad Company to assume and be known by the name of the Washington City, Virginia Midland and Great Southern Railroad Company," the name of the Company became "*The Washington City, Virginia Midland and Great Southern Railroad Company,*" which was soon by user contracted into the *The Virginia Midland Railroad Company.*

The *First Annual Meeting* of the Washington City, Virginia Midland and Great Southern Railroad Company was held in Lynchburg, November 26th, 1873.

At this meeting the following resolution was adopted:

Resolved, That the action of the President and Board of Directors whereby this Company entered into a contract of lease of so much of their Road as

lies between the towns of Strasburg and Harrisonburg, to the Baltimore and Ohio Railroad Company, which contract bears date the 20th of August, 1873, be, and hereby is ratified, approved and confirmed.

This lease is in the following words and figures :

This Deed, made this 20th day of August, in the year eighteen hundred and seventy-three, between the Washington City, Virginia Midland and Great Southern Railroad Company, of the one part, and the Baltimore and Ohio Railroad Company, of the other part ;

Whereas, The road of the said party of the first part, between Strasburg Junction and Harrisonburg, in Virginia, forms, in point of fact, with the Baltimore and Ohio Railroad at Harper's Ferry, and the railroads between that place and Strasburg, a continuous line of railroad from Baltimore, in the State of Maryland, to Harrisonburg, as aforesaid ; and

Whereas, The said party of the second part is desirous that its roads should be connected with the road of the said party of the first part, in such manner as to place the entire line under the same control, in which desire the said party of the first part fully participates, and for that purpose has agreed to lease the said party of the second part that portion of the line lying between Strasburg and Harrisonburg aforesaid, being a distance of fifty-one miles, for the term of ninety-nine years, renewable forever, at the annual rent of eighty-nine thousand two hundred and fifty dollars, gold ; and

Whereas, At a meeting of a Board of Directors of said Washington City, Virginia Midland and Great Southern Railroad Company, held at their office in Alexandria, and State of Virginia, on 19th day of August, A. D. 1873, the following resolution was adopted :

Resolved, That this Company lease to the Baltimore and Ohio Railroad Company, that portion of its railroad lying between Strasburg and Harrisonburg, in the State of Virginia, at the annual rental of eighty-nine thousand two hundred and fifty dollars, gold, payable semi-annually, from the 1st day of September, A. D. 1873, for the term of ninety-nine years, renewable forever ; and that the President of this Company be, and he is hereby, directed to sign, execute and acknowledge, on behalf of this Company, a lease as aforesaid, duly prepared according to law ; and,

Whereas, At a meeting of the Board of Directors of said Baltimore and Ohio Railroad Company, held in the office of said Company, in the city of Baltimore, on the 3d day of July, A. D. 1873, the following resolution was unanimously adopted :

Resolved, That the proposition of the Washington City, Virginia Midland and Great Southern Railroad Company, to lease, permanently, that portion of its line lying between Strasburg and Harrisonburg, in Virginia, a distance of fifty-one miles, at an annual rental of eighty-nine thousand two hundred and fifty dollars, gold, be accepted, commencing the 1st day of September, A. D. 1873.

Now this Deed witnesseth, that the said party of the first part has leased, and by these presents doth lease, unto the Baltimore and Ohio Railroad Company, all that portion of the road of the said party of the first part, that lies between Strasburg and Harrisonburg, in Virginia, for the term of ninety-nine years, renewable forever, being a distance of fifty-one miles, at and under the yearly rental of eighty-nine thousand two hundred and fifty dollars, gold, payable in equal semi-annual instalments on the first days of March and September, every year. To have and to hold the said road between Strasburg and Harrisonburg, together with all and singular the rights and privileges and appurtenances thereto belonging, for the exclusive use of the said party of the second part, in as ample a manner, to all intents and for all purposes, as the said party of the first part could have held and enjoyed the same had this lease

never been made, for and during the full term of ninety-nine years, with the benefit of renewal forever, accounting from the 1st day of September in the year, 1873.

And the party of the second part hereby covenants and agrees that it will pay the rent aforesaid, upon the terms and at the times aforementioned, during the continuance of this lease, and during the continuance of all and every renewal thereof.

And the party of the first part hereby covenants and agrees with the said party of the second part that it will, at all times, execute and deliver to the said party of the second part, all such additional instruments of writing as may be required to confirm these presents; and covenants that it will execute such further assurances of the said road and franchises herein granted and demised, as may be requisite; and that it will renew the present lease and every succeeding lease, at the expiration of the terms of ninety-nine years of each of them respectively, to the end that the lease now made may be renewed forever.

And the said party of the first part doth hereby covenant and agree that it will at all times lend its aid, should it become necessary, to procure from the Legislature of Virginia any additional legislation to carry out the spirit and intent of these presents; and that it will at all times permit the said party of the second part to use its name, should it become necessary, to enable the said last named party to enjoy, to the fullest extent, all the rights and franchises of the said party of the first part, in the same way that they might or could have enjoyed by the latter had this lease never been executed.

And in order to perfect this lease, the same is to be submitted to a meeting of the Stockholders of each of said Company's parties hereto, called by the Directors thereof, and to be approved and assented to by at least two-thirds of the said Stockholders of each of said Companies represented at such meetings and voting thereat.

And the party of the first part doth hereby authorize and appoint Wm. H. Marbury, Esq., as its Attorney, to acknowledge this instrument of writing as and for the act and deed of the party of the first part aforesaid, in order that the same may be duly recorded according to law.

In witness whereof, that the said party of the first part has caused its corporate seal to be hereto affixed, and its president to sign his name thereto, and the said party of the second part aforesaid, has caused its seal to be affixed hereto, and these presents to be signed by its President.

The Washington City, Virginia Midland and Great Southern Railroad Company by
[SEAL.] JOHN S. EARBOUR, President.

[SEAL.] JOHN G. KING, Jr., President *pro tem.*, Baltimore and Ohio Railroad Company.

The old officers were re-elected.

The *Second Annual Meeting* of the Washington City, Virginia Midland and Great Southern Railroad Company was held in Alexandria on the 30th of November, 1874.

The old officers were re-elected.

The *Third Annual Meeting* of the Washington City, Virginia Midland and Great Southern Railroad Company was held in Danville, November 25th, 1875.

The old officers were re-elected.

This was the *last* meeting of the stockholders of this Company ever held, as on the 7th of June, 1876, a certain *John C. Graham*, on behalf of himself and other creditors of the Company, brought suit against it in the Circuit Court of Alexandria, praying the appointment of a Receiver and the foreclosure of the several mortgages upon it and its several divisions.

Many persons united in this suit by petition, and on the 13th of July, 1876, the Hon. James Keith, Judge of said Court, granted in vacation an injunction against said Company, enjoining it from further proceeding to manage said road, and appointing *Jno. S. Barbour*, its President, a Receiver of the rights, properties and franchises of said Company, with orders to continue to run said road under the orders of the Court.

The road was kept in the hands of Receiver Barbour for a number of years, during which certain important work was done and contracts entered into, and any history of the road which was silent in regard to them would be incomplete.

Reference is especially made to the following matters :

The construction of the *Pittsville Branch* was built in 1878 under an order of the Circuit Court of Alexandria, entered on the 21st of November, 1877, which was in the following words :

"And it being further suggested to the Court that the interest of all the parties to this suit will best be consulted by an expenditure of a portion of the receipts of said road in the hands of the Receiver, in aiding in the construction of a short branch therefrom, extending from a point upon its Lynchburg and Danville division between Sycamore and Ward's Spring Stations, westward toward the iron ore banks near Pig river; and the Court being of the opinion that such will be the case, doth hereby authorize and empower said Receiver, out of such funds as may be in his hands to be administered, to expend in the construction of said branch road a sum not to exceed \$10,000 in amount, provided said Receiver shall be satisfied, upon a further examination of the matter, that such outlay will be judicious; and provided further, that he shall not expend said sum or any part thereof until he shall be satisfied that such expenditure will insure the construction of the whole of said branch road to said ore beds.

In speaking of the work subsequently, the Receiver reports to the Court as follows :

"Under the decree referred to, authority was given the Receiver to expend at his discretion a sum not exceeding ten thousand dollars in the construction of a lateral road from Ward's Springs or Sycamore Station, on the Lynchburg and Danville division, to certain iron ore banks near Pig river, in Pittsylvania county. Pursuant to this authority, and within the limits prescribed by said decree, a narrow-gauge or iron tram-way from Ward's Spring Station to

the point indicated, a distance of a little less than eight miles, has been constructed and just now ready to be operated. This work has been economically constructed; up to the 1st of May, the Receiver had only paid in money to the object about \$3,000. This will not include the bills for May, which will probably reach \$2,500 or \$3,000 more. The county of Franklin, the Receiver is advised, has just voted to subscribe \$200,000 to build a narrow-gauge railroad from the terminus of this tram-way to Rocky Mount in said county, a distance of some thirty-two or three miles, which will, if constructed, furnish considerable travel and traffic to this line of railroad, and is a matter of interest in its future financial relations."

THE LEASE OF THE CHARLOTTESVILLE AND RAPIDAN RAILROAD COMPANY.

This road was chartered February 12th, 1876, (Acts 1875-6, p. 61), its charter amended February 6th, 1878. (See Acts 1877-8, p. 44.) By its charter it was to extend from Charlottesville to Orange Court House; power was given it to lease its road to any other Company, and to borrow money and make a mortgage to secure it.

This road was incorporated to meet a great want of the Virginia Midland. From Gordonsville to Charlottesville the trains of that Company were compelled to run over the track of the Chesapeake and Ohio Railroad Company, for which privilege an annual rental was paid of \$30,000; and even at that high rate the use of the road was subordinated to its use by the Chesapeake and Ohio, without the privilege of doing any local business between Gordonsville and Charlottesville, or intermediate points, besides being excluded from north bound business at Charlottesville, or south bound at Gordonsville.

It was, therefore, very necessary to the development and welfare of the Midland line, that its track should be continuous and under its own management. In June, 1878, this new Company made a proposition to Receiver Barbour, which is set forth in his report, which reads as follows:

ALEXANDRIA, VA., June 6th, 1878.

TO THE HON. JAMES KEITH,

Judge of the Circuit Court for the City of Alexandria:

The undersigned respectfully submits that the Charlottesville and Rapidan Railroad Company, a corporation chartered by the laws of Virginia to construct a line of railroad from some point on the Washington City, Virginia Midland and Great Southern Railroad, at or near the town of Charlottesville, to a point on said last named railroad between the town of Orange and the

Rapidan river, propose to lease the said line of railroad, when constructed, to the Washington City, Virginia Midland and Great Southern Railroad Company, and assigns, for their sole and exclusive use and operation, upon the terms and conditions set forth in the accompanying contract, which is herewith presented for the consideration and approval of the Court. The proposed lease, if executed, will be for many reasons highly desirable to the interests of the Railroad Company, and enhance to a large extent the future value of its property; at present the Washington City, Virginia Midland and Great Southern Railroad has a break in the continuity of its line between terminal points, extending from Gordonsville to Charlottesville, a distance of twenty-two miles, for which trackage is obtained for trains over the Chesapeake and Ohio Railroad, at an annual charge of \$30,000, payable in monthly instalments of \$2,500. This arrangement, as it now exists, is liable to many serious objections. It may be suspended or rescinded at the pleasure of the Chesapeake and Ohio Railroad Company, and cut off through traffic. No local business can be operated between Charlottesville and Gordonsville, and intermediate stations, by trains of the Washington City, Virginia Midland and Great Southern Railroad Company; schedules only made and run by permission of said Chesapeake and Ohio Railroad Company, and the single track of the last named Company must prove inadequate for the business of the two Railroad Companies if the traffic should much increase beyond the present amount of tonnage transported by them respectively. The proposed lease will obviate these serious difficulties, and afford at very little, comparatively, more cost per annum, a new first-class railroad, to be laid with steel rail and with iron bridges, with grade and curvatures corresponding with those of the main line between Alexandria and Lynchburg, and give exclusive use and control of the same, for all time, to the Washington City, Virginia Midland and Great Southern Railroad Company, or its assigns, and open up the local business between Charlottesville and Orange, in itself a matter of considerable importance. It will be further noted that, at the expiration of thirty-four years for which said lease is to run, the said Charlottesville and Rapidan Railroad becomes part and parcel and the property of the Washington City, Virginia Midland and Great Southern Railroad Company, without further cost or charge. The proposed contract will, in the judgment of the undersigned, add largely to the revenue and receipts of the Railroad Company now in his charge as Receiver, and increase the general efficiency of its service.

* All of which is respectfully submitted by

JOHN S. BARBOUR, Receiver.

The contract referred to in the above report reads as follows:

This deed, made this 6th day of June, 1878, between the Charlottesville and Rapidan Railroad Company, of the first part, and John S. Barbour, Receiver in the Chancery suit of *Graham vs. The Washington City, Virginia Midland and Great Southern Railroad Company*, now pending in the Circuit Court for the city of Alexandria, acting under an order made this day in said cause, for and on behalf of said defendant Corporation and all the parties to said suit, of the second part, Witnesseth—

I. That the said Charlottesville and Rapidan Railroad Company on its part covenants and agrees:

First. That it will construct, before the first day of July, 1879, a railroad from the town of Charlottesville, or some point on the Washington City, Virginia Midland and Great Southern Railway adjacent thereto, to Orange Court House, or some point on said railway between that place and the Rapidan river, and will join the same to said Washington City, Virginia Midland and Great Southern Railroad track at each end thereof. The said road is to be constructed in all respects as a first-class, single track railroad, with steel rails, good and substantial masonry and bridges, and all necessary and proper turn-

outs and switches; all to be constructed, completed and ready for use by the first of July, 1879, and to be so constructed as to be approved and received by the engineer of said Receiver.

Second. To permit the said John S. Barbour, Receiver as aforesaid, and those claiming under him by virtue of the orders of said Circuit Court of Alexandria in said cause, to enter upon and exclusively use, occupy, possess and enjoy the said Railroad, and its property and franchises forever.

II. That the said John S. Barbour, Receiver as aforesaid, under and by virtue of a decree rendered this day by the Circuit Court of Alexandria, in the said cause of *Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*, doth, for and on behalf of the said defendant Corporation and the parties to said suit, covenant and agree with said Charlottesville and Rapidan Railroad Company, in consideration of the promises and undertakings of said Company:

First. To pay to said Charlottesville and Rapidan Railroad Company the sum of thirty-six thousand dollars per annum, payable quarterly, beginning on the day said Charlottesville and Rapidan Railroad Company shall complete and turn over to said Receiver the said Railroad, which it has contracted to build under this contract, in accordance with the terms of its contract in regard thereto, and further, to continue to pay said annual sum of \$36,000 for a term of thirty-four (34) years from the date of the completion and reception of said road.

Second. In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said road from Charlottesville to Orange Court House shall, within sixty days from such default, be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may, thereafter, at the option of said party of the first part, be declared null and void.

III. It is hereby mutually agreed, that in case the party of the first part may desire to convey, pledge or assign its rights, under this contract, for the purpose of borrowing money, then and in that event due care shall be taken to provide that the annual payments, herein covenanted to be made by the party of the second part, shall be so applied as to meet any instalments of interest or principal which, according to such conveyance, assignment or pledge, said Railroad Company may undertake and agree to pay to the person from whom said money may be borrowed.

[SEAL]

In testimony whereof, Alfred Earnshaw, the President of said Charlottesville and Rapidan Railroad, has hereunto signed his name and affixed the seal of said Company; and Jno. S. Barbour, Receiver as aforesaid, has hereunto attached his hand and seal.

ALFRED EARNSHAW, President. [SEAL.]

JOHN S. BARBOUR, Receiver. [SEAL.]

This report of Receiver Barbour was considered by the Court, and, without objection on the part of any one, was approved on the 6th of June, 1878, in the following terms:

"And the Court having maturely considered the report of Receiver Barbour, in regard to an agreement which it is proposed therein shall be entered into with the Charlottesville and Rapidan Railroad Company for the purpose of connecting the terminal point of the Lynnhburg and Charlottesville division of the Washington City, Virginia Midland and Great Southern Railroad at or near Charlottesville with the Alexandria and Gordonsville division of said road, at some point near Orange Court House, doth approve and confirm said

report and the contract therewith filed, and doth adjudge, order and decree that said John S. Barbour, Receiver, for and on account of said defendant Corporation and of all the parties to this suit, do make, sign, execute and enter into said contract with said Charlottesville and Rapidan Railroad Company. And the Court doth declare that in any order of sale or any decree looking to a re-organization of said Company hereafter to be made, such sale or order shall be made subject to the rights, obligations and interests which may be created or vested by and under said contract.

On the 25th of September, 1878, the Receiver submitted a further report on the subject of this lease :

At the last term of the Court a conditional contract entered into with the Charlottesville and Rapidan Railroad Company, by the Receiver, for the use and occupation of their road when constructed, was approved and ratified, as set out in said contract. One of the provisions made in said contract which gave the said Charlottesville and Rapidan Railroad Company power to re-enter in the event of failure on the part of the lessee to pay the rent as agreed, and which was regarded as made for the protection and advantage of the lessors, has since been regarded as objectionable to their interests by certain parties with whom the said Charlottesville and Rapidan Railroad Company have been negotiating for financial assistance, and it is now desired by said Company that this provision be stricken out of the contract referred to, and modified to meet the views of the said Charlottesville and Rapidan Railroad Company, as it cannot conflict with the rights or interests of the lessees in said contract, authority is asked of the Court to make the amendment in the lease or contract, as desired, and also that time for construction of said road be extended to January 1, 1880.

With reference to which the Court, on the 25th of September, 1878, entered the following order :

And it further appearing from said report that such a change is to the advantage of the defendant Corporation, the Court doth hereby authorize and instruct the said Receiver to so alter and amend the contract made with the Charlottesville and Rapidan Railroad Company, under the power granted by the decree rendered in this cause at the last term of this Court, that the clause in said contract which now reads—

Second. In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said road from Charlottesville to Orange Court House shall, within sixty days of such default, be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may thereafter, at the option of the said party of the first part, be declared null and void.

—Shall hereafter be so altered and amended as to read :

Second. In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said Railroad from Charlottesville to Orange Courthouse, shall, upon the written demand of the party of the first part, be released and delivered up to the said Charlottesville and Rapidan Railroad Company, within thirty days after service of such demand, and after said release this contract may, at the option of said party of the first part, be declared null and void, but without prejudice to the rights of any or all bondholders of said Charlottesville and Rapidan Railroad Company, to sue for and recover from the party of the second part all damages resulting from such default, whether the Road be released or not.

And it is further ordered, adjudged and decreed, that the time for the construction and completion of said Road be extended to the first day of January, 1880.

On the 2d of July, 1879, the Receiver submitted a further report on this subject, in the following words :

ALEXANDRIA, Va., July 2, 1879.

To Hon. James Keith,

Judge of the Circuit Court of Alexandria :

The undersigned respectfully submits that, in conformity with the several decrees of your Honor's Court, entered on the 6th of June, and 25th of September, 1878, respectively, your Receiver has proceeded to make and enter into the contracts with the Charlottesville and Rapidan Railroad Company as therein approved ; and as more delay has occurred perfecting the necessary arrangements for the construction of the line of said Railroad by the said Charlottesville and Rapidan Railroad Company than was originally anticipated in the original and amended contracts entered into as above, by the parties referred to, and a further extension of time being desirable under the circumstances, your Receiver would respectfully suggest that the same be conceded, and that the said Charlottesville and Rapidan Railroad Company be allowed until the 1st day of July, 1880, to complete the construction and delivery of their said line of Railroad, under the contracts previously entered into with said Receiver, and heretofore approved by the Court.

Your Receiver would also submit that at a meeting of the creditors and holders of bonds, issued under the mortgages created by the several companies making up the consolidated company now known as the Washington City, Virginia Midland and Great Southern Railroad Company, held in the city of Baltimore, on the 28th ulto., upon full notice, and a large majority of said bondholders being present, it was unanimously resolved that the contract made and decrees entered, as herein above stated, be approved, and the Court was requested to take such other and further action as might be necessary to carry out the same by extending the time for constructing the Railroad, and to ratify and confirm the form of said mortgage proposed to be executed by said Charlottesville and Rapidan Railroad Company, a copy of which proceedings, marked "X X," is herewith filed, and as the mortgage referred to in said above proceedings has been duly executed by said Charlottesville and Rapidan Railroad Company, hearing date the 1st of July, 1879, for the purposes therein set forth, a copy of which is herewith submitted, marked "W W," your Receiver respectfully asks that the form of said mortgage or deed of trust be ratified and confirmed by the Court, and such further order be made in the premises as may tend to expedite the construction of the work, and enable your Receiver to realize, with the least possible delay, the valuable results anticipated from the use and occupation of the same under the contracts made and entered into, as heretofore set out.

Respectfully submitted by

JOHN S. BARBOUR,
Receiver.

After this report was filed, the Court, on the 2d of July, 1879, made an order as follows :

This cause came on the 2d day of July, 1879, to be again heard on the papers formerly read, the report and petition of John S. Barbour, Receiver, advising the Court of his proceedings under former decrees of the Court, in reference to the contract with the Charlottesville and Rapidan Railroad Company, for the construction and completion of its Railroad, and the lease thereof to said Receiver, and asking that the time for the construction and completion

of said Road should be further extended, and that the form of the mortgage of said Charlottesville and Rapidan Railroad Company to S. M. Felton, Robt. Garrett and John W. Burke, Trustees, bearing date July 1st, 1879, be ratified and approved, which said report and petition are accompanied by copies of the said mortgage, and of the proceedings of a meeting of the bondholders of the Washington City, Virginia Midland and Great Southern Railroad Company, and of the companies of the consolidation of which said Washington City, Virginia Midland and Great Southern Railroad Company was formed, held at the Mechanics' National Bank, of Baltimore, on the 26th of June, 1879, which papers are marked respectively X X and W W, and was argued by counsel, on consideration whereof, and it appearing from the proceedings of said meeting of bondholders that a preamble and resolutions, in the following words, were unanimously adopted by said meeting so held as aforesaid—

* * * * *

—And the Court having maturely considered the subject, and being fully advised in the premises, and being satisfied that it is manifestly and clearly to the interest of all parties concerned that such action should be taken by the Court as will lead to the construction and completion of the said Charlottesville and Rapidan Railroad at the earliest practicable date, the Court doth adjudge, order and decree that the orders heretofore made on the 6th of June, 1878, and the 25th of Sept., 1878, be, and they are hereby ratified, approved and confirmed, except that the time for the construction and completion of said Road of the said Charlottesville and Rapidan Railroad Company be and the same is hereby extended from the 1st of January, 1880, to the 1st of July, 1880; and it is further adjudged, ordered and decreed that the deed bearing date June 6th, 1878, between the Charlottesville and Rapidan Railroad Company, of the first part, and John S. Barbour, Receiver, of the second part, wherein and whereby the said John S. Barbour, Receiver, covenanted and agreed to pay to the said Charlottesville and Rapidan Railroad Company the sum of \$36,000 per annum, payable quarterly, beginning on the day the Charlottesville and Rapidan Railroad Company should complete and turn over to the said Receiver the said Railroad which it had contracted to complete under the contract, in accordance with the terms of the contract in regard thereto; and further, to continue to pay said annual sum of \$36,000 for the term of thirty-four years from the date of the completion and reception of said Road, shall be and is hereby adjudged to be a prior and preferred lien for the amount of said annual payments upon all the revenues of the said Washington City, Virginia Midland and Great Southern Railroad Company, and the earnings of the said Railroad after deducting the operation expenses and the expenses of the Receivership, are hereby pledged for the payment of the principal and interest of the annual payment of \$36,000, payable quarterly, according to the terms thereof, so long as the said Road shall remain in the hands of the Receiver of this Court; and the Washington City, Virginia Midland and Great Southern Railroad Company is hereby adjudged, ordered and decreed to make the said annual payment for the said term of thirty-four years from the date of completion and reception of said Road; and in case of failure to pay, the trustees in said mortgage may institute and prosecute a suit to enforce the lien hereby declared, and compel payment of the said annual sum; and in case of any sale of the franchises and property of the said Washington City, Virginia Midland and Great Southern Railroad Company such sale shall be made subject to the lien of said charge under said deed, and the Court having examined the form of the mortgage of the said Charlottesville and Rapidan Railroad Company to S. M. Felton, Robt. Garrett and John W. Burke, Trustees, bearing date July 1st, 1879, doth approve and ratify the same, and doth authorize and direct John S. Barbour, Receiver, to execute said mortgage as Receiver of the Court, in the form and manner therein prescribed.

On the 27th of September, 1879, the following orders were entered:

Some doubt having been suggested as to the power of the Court at a special term to enter the decree which was entered by this Court on the 2d July, 1879, whereby the Court among other things confirmed the acts of Receiver Barbour, in regard to the contract with the Charlottesville and Rapidan Railroad Company, and approved and ratified the mortgage of said Charlottesville and Rapidan Railroad to S. M. Felton, Robt. Garrett and John W. Burke, Trustees, bearing date July 1, 1879, the Court doth hereby confirm the said decree and declare the same to be as valid and binding as though now again entered as a part of this decree.

The Court doth further ratify and confirm the report of Receiver Barbour filed this day and doth especially approve and confirm his action in approving the agreements made between the Charlottesville and Rapidan Railroad Company, and Geo. A. Parker, (filed with said report marked P.) according to the authority conferred upon him by a former decree of this Court. And leave is granted to the Receiver to withdraw the original of said agreements upon leaving duly certified copies thereof in the Record.

The Road from Charlottesville to Orange Courthouse was completed and turned over to the Receiver in the fall of 1880.

The following Deed of Trust was executed on the first day of July, 1879, by the Charlottesville and Rapidan Railroad Company, and is on record :

AN INDENTURE, Made the first day of July, 1879, between the Charlottesville and Rapidan Railroad Company, a corporation created, organized and established under and by virtue of the laws of the State of Virginia, party of the first part, and S. M. Felton, of the city of Philadelphia, Robert Garrett, of the city of Baltimore, and John W. Burke, of the city of Alexandria, parties of the second part.

WHEREAS, The said Charlottesville and Rapidan Railroad Company, pursuant to the statutes of the said State incorporating it, is engaged in constructing a railroad from a point at or near Charlottesville, in the county of Albemarle and State aforesaid, to a point at or near Orange Court House, in the county of Orange, in the same State, being all within the limits of the said State of Virginia, and within the said counties of Albemarle and Orange and being about twenty-seven miles in length ;

AND WHEREAS, The said Company is authorized by an Act of the General Assembly of the State of Virginia, approved the sixth day of February, 1878, to issue bonds for the purpose of constructing its said road, to an amount not exceeding six hundred thousand dollars, bearing interest at a rate not exceeding six per centum per annum, as may be deemed expedient, and to secure the payment of the principal and interest of such bonds by one or more deeds of trust or mortgages on its franchises, tolls, receipts and whole property, real and personal ;

AND WHEREAS, The stockholders of the said Company, on the ninth day of July, 1878, in the city of Alexandria, in the State of Virginia, in a general meeting of the said stockholders, called and held according to law, did adopt, by a majority of votes in the said general meeting, a resolution, which is as follows :

" *Resolved*, That the President and Directors of this Company be, and they are hereby, authorized to issue the bonds of the Company to an amount not exceeding five hundred thousand dollars and at a rate of interest not exceeding six per cent., and to secure payment of the principal and interest of the same by one or more mortgages or deeds of trust on the franchises, tolls, receipts and whole property, real and personal, of said Company, as pro-

vided for by an Act of the General Assembly of Virginia, approved February 6th, 1878, amending and re-enacting section 1st of an Act to incorporate the Charlottesville and Rapidan Railroad Company, approved February 12th, 1876."

AND WHEREAS, The President and Directors of the said Company, at a meeting called and held according to law, in the said city of Alexandria, on the ninth day of July, 1878, did adopt by a majority of the votes of said President and Directors the following resolution:

"Resolved, That the President be authorized and directed to cause to be prepared and executed a deed of trust or mortgage and bonds as directed by the resolution of the stockholders, adopted at their meeting this day held."

AND WHEREAS, By virtue of the authority thus conferred, the said Company proposes, for the purpose aforesaid, to issue its bonds, bearing even date herewith, with coupons for interest thereto attached, in the following form, of which bonds two hundred and fifty (250) shall be for the sum of one thousand dollars (\$1,000) each, four hundred and eighty (480) for the sum of five hundred dollars (\$500) each, and one hundred (100) for the sum of one hundred dollars (\$100) each:

No.....

[FORM OF BOND]

\$.....

STATE OF VIRGINIA.

The Charlottesville and Rapidan Railroad Company, for value received, promises to pay to the bearer hereof, at the office of the Philadelphia Trust, Safe Deposit and Insurance Company, in the city of Philadelphia, the sum of dollars (\$.....), on the first day of July, 1913, or on such earlier day as hereinafter mentioned, on this bond being drawn for payment, with interest thereon, in the meantime, at the rate of six per centum per annum, from the first day of July, 1879, payable half-yearly, on the first day of the months of January and July in each year, at the said office, on delivery of the proper coupon therefor.

This bond is one of a series of like date, amounting in the aggregate to five hundred thousand dollars, the payment whereof is secured by a mortgage, bearing even date herewith, of the railroad, property and franchises therein mentioned, executed and delivered to S. M. Felton, of the city of Philadelphia, Robert Garrett, of the city of Baltimore, and John W. Burke, of the city of Alexandria, trustees; which mortgage contains a provision for a sinking fund of five thousand dollars per annum, for the redemption of the said bonds, either by purchase at a price not exceeding par, or if the said bonds cannot be purchased at prices at or under par, then by an annual drawing by lot, under the direction of the trustees, to be held in the month of December, in each year, after the date hereof, (the first drawing to be held in December, 1887); and on the first day of January following the drawing of the number of this bond, the principal thereof shall, upon the surrender of this bond and all unmatured coupons thereunto belonging, become payable at the said office, and the interest thereon shall cease from and after the said first day of January.

The lawful holder of this bond may cause the same to be registered on the books of the Company in his name, and the same shall thereafter be assignable only on such books and the principal be payable to the registered holder, or his legal representatives, the coupons or interest-warrants remaining transferable by delivery, and payable to bearer; when assigned to bearer, the bond will be negotiable by delivery, and will continue until again registered in the name of an assignee; each successive registration will be endorsed hereon.

This bond shall not become obligatory upon the Company until the certificate endorsed hereon shall have been signed by a majority of the trustees above mentioned.

In witness whereof, the said Company has caused these presents to be sealed with its corporate seal, duly attested, this first day of July, 1879.

Attest, President.

..... Secretary.

[Seal.]

[COUPON.]

The Charlottesville and Rapidan Railroad Company will pay to bearer, at the office of the Philadelphia Trust, Safe Deposit and Insurance Company, in the city of Philadelphia, on the first day of January, 1880, dollars, being six month's interest on bond No., for \$.....

\$..... Treasurer.

[ENDORSEMENT.]

This bond is one of those secured by a mortgage of the railroad, property and franchises thereon mentioned by the Charlottesville and Rapidan Railroad Company, dated the first day of July, 1879, duly executed and delivered by the said Company to S. M. Felton, of the city of Philadelphia, Robert Garrett, of the city of Baltimore, and John W. Burke, of the city of Alexandria, the Trustees therein named, and duly recorded.

....., 18....

..... } Trustees.
..... }
..... }

AND WHEREAS, It is the intention of the party of the first part to secure the punctual payment of the principal and interest of the said bonds;

AND WHEREAS, The Washington City, Virginia Midland and Great Southern Railroad Company is in the hands of a Receiver, John S. Barbour, by virtue of orders of the Circuit Court of the city of Alexandria, in the case of Graham against the said Company, (in Chancery), and the said last named Company is the owner of a continuous line of Railroad from the City of Washington, in the District of Columbia, to the town of Danville, in the State of Virginia, near the boundary line of the States of Virginia and North Carolina, a distance of about two hundred and forty-three miles; and of another line of Railroad from the town of Manassas, on the main line, to the town of Harrisonburg, in the County of Rockingham, in the Valley of Virginia, a distance of about one hundred and thirteen miles; and also a branch Railroad from the said main line to Warrenton, in the County of Fauquier, in the State of Virginia, a distance of nine miles,—all of which lines are now completed and in actual operation, except the short line connecting the City of Alexandria with the City of Washington, and a line of about twenty miles from Gordonsville to Charlottesville, and the said Washington City, Virginia Midland and Great Southern Railroad Company now uses the line of the Chesapeake and Ohio Railroad Company between the last named points.

AND WHEREAS, The construction of the said Charlottesville and Rapidan Railroad will render unnecessary the construction by the said Washington City, Virginia Midland and Great Southern Railroad Company of the said twenty miles of Railroad from Charlottesville to Gordonsville, and also the use by the said Washington City, Virginia Midland and Great Southern Railroad of the said Chesapeake and Ohio Railroad, for the use whereof the said first named Company pays to the latter the sum of twenty-five hundred dollars per month, inasmuch as the said Charlottesville and Rapidan Railroad when completed, will connect the two portions of the Washington City, Virginia Midland and Great Southern Railroad, now connected by the line of the

Chesapeake and Ohio Railroad, affording speedier and more certain transit, and reducing the distance from Alexandria to Charlottesville about five miles.

AND WHEREAS, In view of the manifest advantages and benefits resulting to the said Washington City, Virginia Midland and Great Southern Railroad Company, from the construction of the said Charlottesville and Rapidan Railroad, the said Circuit Court of Alexandria City authorized a contract to be made by the said John S. Barbour, Receiver, as aforesaid, with the said Charlottesville and Rapidan Railroad Company, for the construction of the said Road, which contract so authorized was entered into by the said parties on the 6th of June, 1878, and is as follows:

This deed, made this 6th day of June, 1878, between the Charlottesville and Rapidan Railroad Company, of the first part, and John S. Barbour, Receiver in the Chancery suit of Graham vs. The Washington City, Virginia Midland and Great Southern Railroad Company, now pending in the Circuit Court for the city of Alexandria, acting under an order made this day in said cause, for and on behalf of said defendant Corporation and all the parties to said suit, of the second part, Witnesseth—

"I. That the said Charlottesville and Rapidan Railroad Company on its part covenants and agrees—

"First. That it will construct, before the 1st of July, 1879, a railroad from the town of Charlottesville, or some point on the Washington City, Virginia Midland and Great Southern Railroad adjacent thereto, to Orange Court House, or some point on said railroad between that place and the Rapidan River, and will join the same to said Washington City, Virginia Midland and Great Southern Railroad track at each end thereof.

"The said road is to be constructed in all respects as a first-class, single-track railroad, with steel rails, good and substantial masonry and bridges, and all necessary and proper turnouts and switches—all to be constructed, completed and ready for use by the 1st of July, 1879, and to be so constructed as to be approved and received by the engineer of said Receiver.

"Second. To permit the said John S. Barbour, Receiver as aforesaid, and those claiming under him by virtue of the orders of said Circuit Court of Alexandria City in said cause, to enter upon and exclusively use, occupy, possess and enjoy the said railroad and its franchises forever.

"II. That the said John S. Barbour, Receiver as aforesaid, under and by virtue of a decree rendered this day by the Circuit Court of Alexandria in the said cause of Graham v. the Washington City, Virginia Midland and Great Southern Railroad Company, doth for and on behalf of the said defendant corporation, and the parties to said suit, covenant and agree with the said Charlottesville and Rapidan Railroad Company, in consideration of the promises and undertakings of said Company.

"First. To pay to said Charlottesville and Rapidan Railroad Company the sum of thirty-six thousand dollars per annum, payable quarterly, beginning on the day said Charlottesville and Rapidan Railroad Company shall complete and turn over to said Receiver the said railroad which it has contracted to build under this contract, in accordance with the terms of its contract in regard thereto, and further to continue to pay said annual sum of thirty-six thousand dollars for a term of thirty-four (34) years from the date of completion and reception of said road.

"Second. In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said road from Charlottesville to Orange Court House shall, within sixty days from such default, be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may, thereafter, at the option of said party of the first part, be declared null and void.

III. It is hereby mutually agreed, that in case the party of the first part may

desire to convey, pledge or assign its rights, under this contract, for the purpose of borrowing money, then and in that event due care shall be taken to provide that the annual payments, herein covenanted to be made by the party of the second part, shall be so applied as to meet any instalments of interest or principal which, according to such conveyance, assignment or pledge, said Railroad Company may undertake and agree to pay to the person from whom said money may be borrowed.

In testimony whereof, Alfred Earnshaw, the President of said Charlottesville and Rapidan Railroad Company, has hereto signed his name and affixed the seal of said Company; and John S. Barbour, Receiver as aforesaid, has hereto attached his hand and seal.

ALFRED EARNSHAW, President. [SEAL.]

JOHN S. BARBOUR, Receiver. [SEAL.]

AND WHEREAS, The said contract, having been ratified and confirmed by the said Court, and its whole power and authority pledged to its performance by the said John S. Barbour, Receiver, as aforesaid, and those claiming under him by virtue of the orders of the said Court, in the said case, as appears from the following extract from the decree made in the said cause on the sixth day of June, 1878:—

“And the Court having maturely considered the report of Receiver Barbour, in regard to an agreement which it is proposed therein shall be entered into with the Charlottesville and Rapidan Railroad Company for the purpose of connecting the terminal point of the Lynchburg and Charlottesville division of the Washington City, Virginia Midland and Great Southern Railroad at or near Charlottesville with the Alexandria and Gordonsville division of said road, at some point near Orange Court House, doth approve and confirm said report and the contract therewith filed, and doth adjudge, order and decree that said John S. Barbour, for and on account of said defendant Corporation and of all the parties to this suit, do make, sign, execute and enter into said contract with said Charlottesville and Rapidan Railroad Company; and the Court doth declare that in any order of sale (or any decree looking to a re-organization of said Company hereafter to be made, such sale) or order shall be made subject to the rights, obligations and interests which may be created or vested by and under said contract,” was thereafter ratified, approved and confirmed by the Stockholders of said Charlottesville and Rapidan Railroad Company, as appears from the proceedings of the Stockholders of the said Company, at a meeting held at Alexandria, on the ninth of July, 1878.

AND WHEREAS, The said Court afterwards, on the twenty-fifth day of September, 1878, made a further order and decree in the said cause, from which the following is an extract:—

And it further appearing from said report that such a change is to the advantage of the defendant Corporation, the Court doth hereby authorize and instruct the said Receiver to so alter and amend the contract made with the Charlottesville and Rapidan Railroad Company, under the power granted by the decree rendered in this cause at the last term of the Court, that the clause in said contract which now reads—

Second. In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said road from Charlottesville to Orange Court House shall, within sixty days of such default, be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may thereafter, at the option of the said party of the first part, be declared null and void,” shall hereafter be so altered and amended as to read—

Second. In case of failure on the part of said party of the second part to

promptly pay said quarterly instalments of money provided for above, it is agreed that the said Railroad from Charlottesville to Orange Courthouse, shall, upon the written demand of the party of the first part, be released and delivered up to the said Charlottesville and Rapidan Railroad Company, within thirty days after service of such demand, and after said release this contract may, at the option of said party of the first part, be declared null and void, but without prejudice to the rights of any or all bondholders of said Charlottesville and Rapidan Railroad Company, to sue for and recover from the party of the second part all damages resulting from such default, whether the Road be released or not.

And it is further adjudged, ordered and decreed, that the time for the construction and completion of said Road be extended to the first day of January, 1880.

AND WHEREAS, The said Charlottesville and Rapidan Railroad Company desires to secure the payment of the principal and interest of the bonds so proposed to be issued as aforesaid by the conveyance and transfer of all rights under the said contract, and to provide that the payments stipulated for by the said contract shall, as paid, be so applied as to meet the Coupons for interest on the said bonds, and the principal of the said bonds when they shall mature, as well as by a conveyance of all its franchises, bills, receipts and whole property, real and personal, and in order to give full effect, according to its true intent and meaning, to the said contract, has agreed and entered into a contract with the Philadelphia Trust, Safe Deposit and Insurance Company, of Philadelphia, at whose office the principal and interest of the said bonds are payable, and registration of the principal thereof may be made, whereby it is stipulated that of the thirty-six thousand dollars annually payable to the party of the first part by the said John S. Barbour, Receiver, thirty-five thousand dollars in quarterly instalments shall be paid by the said Receiver and his successors as aforesaid to the said Philadelphia Trust, Safe Deposit and Insurance Company, and so much thereof as may be necessary, under the direction of the said Trustees, to the payment of the Coupons or interest warrants attached to the said bonds, semi-annually, as they shall mature, and the residue to the creation and maintenance of a Sinking Fund for the extinguishment of the principal of the said bonds.

Now, therefore, this deed, witnesseth, that the said party of the first part, in consideration of the premises, and of one dollar to it in hand paid by the parties of the second part, at and before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the due payment of the principal and interest of the above mentioned bonds according to their tenor, terms and effect, does hereby assign, transfer and convey to the parties of the second part and the survivors and survivor of them, their and his successors or successor in the trust, the said contract made on the 6th of June, 1878, between John S. Barbour, Receiver, and the said party of the first part, and all the rights of the said party of the first part, under the same contract; and the said party of the first part, subject to the said contract, doth by these presents give, grant, bargain and sell, alien, remise, release, convey and confirm unto the parties of the second part, their heirs and assigns, and the survivors and survivor of them, their and his heirs, assigns and successors in the trust aforesaid, all the right, titles, interest and estate which the said party of the first part now has or may hereafter acquire in and to its franchises, its entire line of railroad constructed, or to be constructed, as hereinbefore stated, with all the branches, appurtenances, equipments, rights, privileges and franchises to the said railroad, constructed or to be constructed, belonging or in any way appertaining, and the tolls, rents, issues and profits thereof, including the road-way and tracks, rails and road-bed, side-tracks, bridges, viaducts, tences, stations, depots, machine shops, and all other buildings and structures, sand and gravel pits and deposits of materials, and all other things belonging to and used or designed for use for or in

connection with the said railroad: *To have and to hold* the above described premises, property, rights, franchises and appurtenances to the said parties of the second part and the survivors or survivor, and the heirs and assigns of such survivor, and their successors in trust as joint tenants to the only proper use and behoof of them the said parties of the second part, their successors and successor in the said trust, forever.

And the said party of the first part, for itself, its successors and assigns, hereby covenants with the said parties of the second part, the survivors or survivor of them and their or his successors in said trust, that it, the said party or its successors shall and will, at any and at all times hereafter, upon reasonable request, make, do and execute all such other and further reasonable assurances, acts, deeds and things as in the opinion of competent counsel shall be necessary or proper to effectuate the lien and security hereby intended to be created for the benefit of the bondholders entitled to the security hereby provided, or intended to be provided, and especially to render subject to the lien of this mortgage, any and all other property, and all after-acquired property of such description as is hereinabove declared to be intended to be embraced in the security hereby afforded, or intended to be afforded: *In trust*, nevertheless, for the equal benefit and security of all persons or corporations who may be or may become holders of any of the bonds intended to be hereby secured, or any bonds that may be issued in renewal or substitution of the same, without any preference of any one bond over any other or others by reason of priority of time of issue, or negotiation thereof, or otherwise howsoever.

It is hereby covenanted, declared and agreed that the premises, property, rights, franchises and interests hereby mortgaged, conveyed or assigned are to be had and holden by the said trustees and their successors upon and for the trusts, uses and purposes following; that is to say:

First, Until default shall be made in the payment of the interest or the principal of any of the aforesaid bonds, the party of the first part shall hold, use and enjoy all its said property, and shall take and receive the income, earnings and property thereof for its own proper use, as fully as if this indenture had never been made.

If the party hereto of the first part, its successors or assigns, shall, at any time hereafter, after demand made, make default, or refuse, neglect or omit, for any period exceeding thirty days, to pay, or cause to be paid, the semi-annual interest on, or the principal sum of, each and all of the said bonds intended to be hereby secured, or any of them when and as the same shall become due and payable according to the terms hereof, or shall, after demand made, make default or refuse, neglect or omit, for any period exceeding — days, to set apart and appropriate, or cause to be set apart or appropriated, the sums required for the sinking fund, as hereinafter provided, then and in either such case, the said holders or holder, for the time being, shall and will, upon the written request of holders of at least one-fifth in amount of the said bonds then outstanding, enter upon and take possession of said railroad, estates, real and personal, and premises hereby mortgaged, or agreed or intended so to be, and shall and will thereupon operate, use, manage and control the said railroads, estates, real and personal, and premises, possession of which may be so taken, to the best advantage, and appropriate the net income and proceeds derived therefrom, (after deducting the expenses of this trust, and such sum or sums as may be sufficient to indemnify the trustees or trustee for the time being, against any liability, loss or damage, for or on account of any matter or thing done by them or him in good faith, in pursuance of their or his duty as trustees or trustee), to the payment in full without giving preference, priority or distinction to one bond over another, first, of the interest due on, and secondly, of the principal of all of the aforesaid bonds then outstanding and intended to be hereby secured, in full, if the said income and proceeds be sufficient, but if not, then *pro rata*; or the said trustees or trustee shall and

will, after or without entering upon or taking such possession upon the written request of holders of a like amount of the said bonds then outstanding, proceed to sell the railroads, estates, real and personal, corporate rights and franchises, and premises hereby mortgaged, or agreed, or intended so to be, to the highest and best bidder, at public sale, in the said city of Alexandria, (first giving at least three months' notice of the time and place of such intended sale by publication to be made once in each week in at least one newspaper published in each of the cities of Alexandria, Lynchburg and Richmond, in the State of Virginia, and in the cities of Baltimore, Philadelphia, New York and Boston), or the said trustees or trustee, for the time being, may, at their or his discretion, without such entry or taking possession as aforesaid, proceed, by all available means, to enforce the provisions of the said contract with John S. Barbour, Receiver, as aforesaid, and shall also proceed to collect all sums of money then in arrears under the terms thereof: *Provided, however*, that while and so long as no default shall have been made in the quarterly payments provided to be made by the terms of the contract with the said John S. Barbour, the said trustees or trustee for the time being shall, instead of the entry and taking possession or sale hereinbefore provided for, proceed to collect the quarterly payments mentioned in the said contract, and to apply so much thereof as may be necessary to the payment of the interest upon the bonds intended to be hereby secured and then outstanding, as the same shall become due, and the residue to the sinking fund hereinafter provided for.

And in case of any sales as in either event herein authorized, the said Trustees shall have power, and the same is hereby expressly conferred upon them, to execute good and sufficient conveyances to the purchaser or purchasers of the premises sold, passing thereunto, all the right, title and interest of the Charlottesville and Rapidan Railroad Company in the property and franchises so sold, without liability on the part of the purchaser or purchasers to see to the application of the purchase money. And it is hereby expressly agreed that any and every sale so made as aforesaid shall be a perpetual bar, both at law and in equity, against the party of the first part hereto, its successors and assigns, and against all and every person claiming or to claim the premises then sold, or any part thereof, by, through or under it, its successors or assigns. The proceeds of such sale after deducting the costs and expenses thereof, and the expenses of this trust, shall be by the aforesaid Trustees applied in the first instance to the discharge of the past due and unpaid interest, and next to the payment of the principal of said bonds pro rata, and the residue, if there be any, shall be by them paid over to the said Charlottesville and Rapidan Railroad Company. It being distinctly understood and agreed (any law or usage to the contrary notwithstanding), that no part of the premises hereby mortgaged, or intended so to be, shall be sold under proceedings, either at law or in equity, for the recovery, either by the parties hereto of the second part or their successors in the trust, or by the holder or holders of the bonds intended to be hereby secured, or any of them, of the whole or any portion of the principal or interest of the said bonds, excepting however proceedings to enforce the trusts herein declared; it being the intention and agreement of the parties, for the better securing the largest possible price for the mortgaged premises in the event of a sale thereof, that the mode of sale heretofore provided shall be exclusive of all others.

And the said party of the first part hereby covenants and agrees with the parties of the second part, that the said premises hereby conveyed are free and clear of all encumbrances, save and except only those created by the contract between John S. Barbour, Receiver, as aforesaid, and the said party of the first part.

Second. Whenever under the provisions of this Deed the Trustees are empowered to act, a majority shall be competent.

Third. It is further mutually covenanted and agreed, that said Trustees shall not, nor shall either of them or their successors, be in any manner responsible

for the default or misconduct of each other in said trust, nor for the neglect, default or misconduct of an agent or attorney appointed pursuant to these presents, or for anything in respect to said premises or the trusts hereby created, except personal misconduct or gross negligence in the execution of said trusts.

Fourth. It is further provided and declared, that the said Trustees, or either of them, or any succeeding Trustees or Trustee, may at any time hereafter, by an instrument in writing, duly signed and forwarded to the party of the first part, resign his or their office and withdraw from the further execution of this trust, and thereupon, or in any case at any time hereafter, either of said Trustees, or any Trustee hereafter appointed, shall die, or be removed by a Court of competent jurisdiction, or become mentally or otherwise incapacitated to execute the trust, the President of said Company, with the written approval and assent of the holders of the bonds secured hereby to the aggregate extent of not less than one-third of bonds outstanding and unpaid, may appoint a Trustee or Trustees to fill such vacancy; and in such case the new Trustee or Trustees appointed, while either he or they shall continue to be such, shall have and possess and be subject to the same like rights, power, estates and duties as if he or they had been original Trustees hereunder, and during any vacancy in the Trusteeship the remaining or surviving Trustees shall have power to execute the trusts until the vacancy is filled. In default of such appointment as aforesaid for sixty days after written request therefor by the holder of any of the bonds intended to be hereby secured, it shall be the duty of the parties of the second part, or in case of neglect by them for thirty days after a like request, then for the party of the first part to apply to a Court in Virginia, having jurisdiction in the premises, for the appointment of a Trustee or Trustees to fill the vacancy or vacancies, and so from time to time.

And it is further provided and declared, that the due appointment of a trustee or trustees shall be effectual to vest in him or them the appropriate estate, rights, power and duties as herein provided in that behalf, without any new deed or conveyance; but nevertheless the party of the first part hereby covenants, in any and every such case, to make and execute, upon request, any such deeds and conveyances or assurances as may be appropriate, for more fully and certainly vesting in and conforming to such new trustee or trustees such estate, rights, powers and duties; and in every case of resignation of a trustee, the resigning trustee shall, if requested, make and execute such conveyances or assurances to his successors.

And the party of the first part further covenants that the party of the first part shall and will well and truly pay, or cause to be paid, unto the holder or holders of the said bonds the principal and interest thereof as such principal and interest becomes payable, according to the tenor of the said bonds respectively and of the coupons thereto attached; and that to provide for the redemption of the bonds intended to be hereby secured, it will set apart and appropriate, or cause to be set apart and appropriated, annually the sum of five thousand dollars (\$5,000), together with a sum equal to the interest which would have been payable upon the bonds theretofore redeemed, as a sinking fund to be applied, under the direction of the trustees or trustee for the time being, to the purchase of so many of the said bonds as can be procured at prices not exceeding par: *Provided*, That if the said bonds cannot be purchased at such prices, then a drawing by lot shall be held under the direction of the trustees or trustee for the time being annually in the month of December (the first drawing to be held in December, 1880,) for the purpose of determining the numbers of the bonds which shall be paid; and on the first day of January following such drawing, the principal of the bonds whose numbers shall have been drawn shall, upon the surrender thereof, with all unmatured coupons thereunto belonging, become due and payable—interest ceasing from that date: *Provided further*, That if the last bond drawn at any drawing shall be of such an amount as to make the total amount drawn exceed the amount then in the

sinking fund, such number shall be rejected, and the drawing shall continue until the amount then in the sinking fund shall have been exhausted as nearly as possible, and the bonds so purchased or drawn shall be cancelled immediately upon payment thereof.

Fifth. It is further provided and declared, that if the said party of the first part shall well and truly keep and perform the foregoing covenants and agreements on its part to be performed, and shall well and truly pay the said bonds hereby secured, with the interest thereon, according to the tenor thereof, then these presents shall be void, otherwise to remain in full force.

In testimony whereof, the said party of the first part hath hereunto fixed its corporate seal, and caused the same to be attested by the signature of its President, and the said parties of the second part have hereunto set their hands and seals, the day and the year first above written.

Sealed and delivered in the presence of us:	} The Charlottesville and Rapidan Railroad Company.	By	ALFRED EARNSHAW, Pres.	{ Seal of Com'y. }
LINDEN KENT, J. S. B. THOMPSON.				
			Trustees,	{ S. M. FELTON, [L. s.] JOHN W. BURKE. [L. s.] }

As to S. M. F.:	}
EDMUND N. SMITH,	
GEO. W. DUMONT.	

We do hereby accept the foregoing trusts.

In witness whereof, We hereunto set our hands and seals, this 1st day of July, 1879:

Signed and sealed in the presence of us:	}	S. M. FELTON, [L. s.]
LINDEN KENT,		JOHN W. BURKE, [L. s.]
J. S. B. THOMPSON,		

As to S. M. F.	}
EDWARD N. SMITH.	
GEO. W. DUMONT.	

Know all men by these Presents, That I, John S. Barbour, Receiver, of the Washington City, Virginia Midland and Great Southern Railroad Company, one of the Trustees named in the contract, bearing date the sixth day of June, 1878, recited in the foregoing indenture, and afterwards modified in accordance with the order of the Court made September 25th, 1878, also therein recited, do hereby express my assent to the terms of the said indenture; and do hereby agree that the payments provided for in the said contract to be made by me, shall be made in accordance with the provisions of the said foregoing indenture.

Witness my hand and seal, this 1st day of July, 1879.

JOHN S. BARBOUR,
Receiver.

Signed and sealed in the presence of us,	}
LINDEN KENT.	
J. S. B. THOMPSON.	

STATE OF VIRGINIA,	} to wit:
CITY OF ALEXANDRIA,	

Alfred Earnshaw, President of the Charlottesville and Rapidan Railroad Company, personally appeared before me, L. Wilber Reid, a Notary Public,

in and for the said city, and acknowledged before me, in said city, that for and in behalf of said Company he had, under authority of a resolution of the Stockholders of said Company, affixed his name as President, and the corporate seal of said Company to the foregoing Deed, dated 1st July, 1879, and executed by said Company to S. M. Felton, Robert Garrett and John M. Burke; and acknowledged the same to be the Deed of the said Charlottesville and Rapidan Railroad Company.

Given under my hand, this 2d of July, 1879.

L. WILBER REID,
Notary Public.

STATE OF PENNSYLVANIA, } *to wit:*
CITY OF PHILADELPHIA,

I, Samnel L. Taylor, a Commissioner of the State of Virginia, appointed by the Governor thereof for the State of Pennsylvania, commissioned and duly qualified, residing in the city of Philadelphia, do certify that S. M. Felton, whose name is signed to the foregoing Deed, bearing date on the 1st of July, 1879, and executed by the Charlottesville and Rapidan Railroad Company to said S. M. Felton, Robert Garrett and John W. Burke, has acknowledged the same before me, in the city of Philadelphia aforesaid.

Given under my hand and official seal, at Philadelphia, this 7th day of July, 1879.

SAMUEL L. TAYLOR,
Commissioner for Virginia.

[L. S.]

STATE OF VIRGINIA, } *to wit:*
CITY OF ALEXANDRIA,

I, L. Wilber Reid, a Notary Public, in and for said City, do certify that John S. Barbour, Receiver, of the Washington City, Virginia Midland and Great Southern Railroad Company, and John W. Burke, whose names are signed to the foregoing Deed, bearing date on the 1st July, 1879, and executed by the Charlottesville and Rapidan Railroad Company to S. M. Felton, Robt. Garrett and John W. Burke, have severally acknowledged the same before me, in my City aforesaid.

Given under my hand, this 2d day of July, 1879.

L. WILBER REID,
Notary Public.

In Orange County Court Clerk's office July 17th, 1879:

This mortgage was this day received in the office aforesaid, filed and together with the certificates thereon written admitted to record.

Teste,

P. H. FRY,
Clerk.

In Albemarle County Court Clerk's office, July 24th, 1879:

This mortgage was this day received in my office, and together with the foregoing certificates admitted to record.

Teste,

H. D. BURNLEY,
Clerk.

Copy—Teste,

JNO. W. GOSS,
Deputy Clerk.

Oct'o'ber 29th, 1880.

THE LEASE OF THE FRANKLIN AND PITTSYLVANIA RAILROAD.

The Franklin and Pittsylvania Railroad Company was chartered March 13th, 1878, [See Acts 1878-'9, p. 203,] for the purpose of constructing a Narrow-Gauge Railway from Rocky Mount, in Franklin county, to Pittsvelle, in Pittsylvania county, and the power to lease its road, when built, to the Midland Road.

On the 27th of May, 1878, Receiver Barbour reports :

"The county of Franklin, the Receiver is advised, has just voted to subscribe \$200,000 to build a narrow-gauge railroad from the terminus of this tramway (the Pittsvelle branch), to Rocky Mount, in said county, a distance of some 32 or 33 miles, which will, if constructed, furnish considerable travel and traffic to this line of railroad, and is a matter of interest in its future financial relations."

Again on the 23d of September, 1878, Receiver Barbour reports :

"In the report made by the Receiver at the last term of the Court, reference was made to the grant of a charter, by the General Assembly of Virginia, for the construction of a railroad (narrow-gauge) from the terminus of the lateral narrow-gauge railroad of this railroad company, in Pittsylvania county, to Rocky Mount, in Franklin county, a distance of about thirty miles, and which if made would be a valuable tributary to the Washington City, Virginia Midland and Great Southern Railroad. Since that time the county of Franklin has subscribed in its corporate capacity \$200,000 towards the construction of the road; and the Franklin and Pittsylvania Railroad Company organized for the purpose. The Act of Assembly provides that the money subscribed by the county of Franklin shall be expended within the limits of that county.

"In order, however, to make the connection with the narrow-gauge railroad of the Virginia Midland Railroad, in Pittsylvania county, and before the county line of Franklin county will be reached, an intermediate space of ten miles is involved, and the costs of bridging Pig river and some exceptionally heavy work included. To meet this difficulty, the Franklin and Pittsylvania Railroad Company propose to issue a certain amount of Company bonds, to be secured by a mortgage on the whole line of said road, when completed. To make these bonds available and possess market value, it is deemed necessary to contract with your Receiver and his future assigns, to lease said narrow-gauge railroad when contracted, in a sum sufficient to be paid annually to meet the accruing interest of six per cent. on the amount of bonds so issued, and to provide one per cent. to create a sinking fund to pay principal of same at the expiration of thirty-four years from the date thereof, and the excess of profits from operating said road, if any, be applied, first to reimburse the amounts so paid annually, then to pay seven per cent. on the \$200,000 of stock now subscribed to the Franklin and Pittsylvania Railroad Company, and the residue, if any, to go to the lessees of said railroad. The construction of the road referred to, will furnish the natural and most convenient outlet for the business and traffic of Franklin county, and for a large part of Patrick and Floyd counties, and a part of Henry. In addition to the usual agricultural and regular traffic of the counties referred to, valuable mineral ores are represented to lie upon this projected line of railroad, awaiting development from its construction. A contract for the above purpose has been entered into between the said Franklin and Pittsylvania Railroad Company and your Receiver, subject to the approval of the Court, and is herewith submitted marked (K), and which is prayed may be confirmed by order of the Court."

The lease to which reference is made in Receiver Barbour's report above, is as follows :

"This deed, made this 19th of September, 1878, between the Franklin and Pittsylvania Railroad Company of the first part, and John S. Barbour, Receiver, in the chancery suit of John C. Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company, now pending in the Circuit Court of the city of Alexandria, of the second part.

"WHEREAS, The Franklin and Pittsylvania Railroad Company proposes to construct a narrow-gauge railroad from Pittsville, in Pittsylvania county, (the western terminus of the branch road of the Washington City, Virginia Midland and Great Southern Railroad Company, at Narrow-Gauge Junction Station on said road), to Rocky Mount, the county seat of Franklin county, which road when constructed will be a valuable feeder to the traffic of the main line of the said Virginia Midland Railroad.

"AND WHEREAS, For the purpose of constructing so much of said Narrow-Gauge Railroad as lies in the county of Franklin, said county has subscribed two hundred thousand dollars of its bonds to the capital stock of said Company, which subscription it is thought is sufficient to build the twenty miles of said proposed road which lies in said county.

"AND WHEREAS, For the purpose of securing the construction of the remaining ten miles of said road, the said Narrow-Gauge Railroad Company proposes to execute a deed of trust upon its road, privileges and franchises whether constructed or to be constructed, in possession or to be acquired, for the purpose of securing the prompt payment of an issue of its coupon bonds not to exceed one hundred thousand dollars in amount, which are to be sold for the purpose of raising the funds necessary for such construction.

"AND WHEREAS, It is now proposed to lease the said Narrow-Gauge Railroad when constructed, to said John S. Barbour, Receiver as aforesaid, upon terms and conditions herein afterwards set forth, which terms and conditions are deemed judicious and beneficial to both the said contracting parties.

"AND WHEREAS, The Board of Directors of said Narrow-Gauge Railroad Company has authorized its President to execute a lease of said road to said Receiver upon the terms and conditions herein afterwards set forth.

"AND WHEREAS, John S. Barbour, Receiver as aforesaid, deeming it to the interest of the said Washington City, Virginia Midland and Great Southern Railroad Company, is willing to make such a lease of said Narrow-Gauge Railroad, provided his action in so doing is approved, authorized and ratified by a decree of said Circuit Court of Alexandria in the chancery cause in which he was appointed Receiver.

"Now this Deed witnesseth, That in consideration of the premises and of the contracts and undertakings of said Receiver, herein afterwards set forth, the said Franklin and Pittsylvania Railroad Company doth demise and lease to said John S. Barbour, Receiver, as aforesaid, and those claiming under his action herein by virtue of decrees herein after rendered in said cause of Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company, its whole Road from Rocky Mount to Pittsville, whether constructed or to be constructed, together with all its stations, water-tanks, switches, sidings, privileges, franchises, and other appurtenances, including an equipment of rolling stock not to exceed in value twenty thousand dollars, for thirty-four years ; said term not to commence until said Franklin and Pittsylvania Railroad Company has completed and delivered said road to said Receiver, and supplied the same with such amount of rolling stock and other equipment as may be necessary to its use and enjoyment, provided said equipment shall not exceed in cost the sum of twenty thousand dollars.

"In consideration of the above demise of said premises to him, the said John

S. Barbour, Receiver, as aforesaid, promises and agrees to pay to said Franklin and Pittsylvania Railroad Company an annual rental during the term of said thirty-four years of a sum equal to seven per centum upon the amount of said coupon mortgage bonds, which said Company proposes to issue as stated above, provided said issue shall not exceed the sum of one hundred thousand dollars; said rent to be paid semi-annually at such dates as will be the same with the dates of the semi-annual payment of interest on said bonds. In making the payment of rent as above provided, the said Receiver is authorized to take such reasonable and just precautions as may be necessary to secure the application of six-sevenths of such annual rent to meet the interest on the said coupon bonds of said Company, and the setting aside annually of the remaining one-seventh thereof for the purpose of creating a sinking fund to meet the principal of said bonds as they may fall due.

"And the said Receiver further agrees to apply the receipts which may be derived from the said property hereby demised.

"*First.* To the payment of the annual expenses of running said road and of keeping it and the said equipment in proper repair.

"*Second.* To reimburse himself for the payment of said annual rent which by this contract he has agreed to pay for the use of said road.

"*Third.* To the payment of a dividend of seven per centum upon the capital stock of said Company, provided said capital stock shall not exceed in par value the sum of two hundred thousand dollars. This dividend to be paid to the holders of said stock.

"*Fourth.* The residue of said receipts, if any, after making the above named payments in the order in which recited, shall be retained by the said Receiver for the use and benefit of the trust in his hands under the said order of Court.

"And the said Receiver further covenants and agrees to return said road at the end of the said term of thirty-four years in as good repair as it is when he receives it, and to return rolling stock and equipment equal in value to that which he receives. But it is expressly understood and agreed between said parties that this contract shall not take effect or have binding force until it shall have been ratified and approved by the Stockholders of the said Franklin and Pittsylvania Railroad Company, and shall further have been authorized, approved, sanctioned and ratified by a decree of the Circuit Court of Alexandria in said cause of *Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*.

"In testimony whereof Giles W. B. Hale, the President of said Franklin and Pittsylvania Railroad Company has hereto signed his name and caused the official seal of said Company to be hereto affixed; and John S. Barbour, Receiver, as aforesaid, has hereto affixed his hand and seal. All done at Lynchburg, in the State of Virginia, this 19th of September, 1878.

G. W. B. HALE,
President Franklin and Pittsylvania Railroad Company.

[SEAL.]

On the 25th of September, 1878, the Court entered the following order in regard to the Franklin and Pittsylvania Railroad:

"And the Court being of opinion that the interest of all the parties to this suit will best be consulted by the execution of the lease of the Franklin and Pittsylvania Railroad referred to in said Receiver's report, as having already been made and entered into with the Franklin and Pittsylvania Railroad Company, the Court doth hereby authorize and empower said John S. Barbour, Receiver as aforesaid, for and on behalf of said Defendant Company, and all the parties interested therein, to make and enter into the contract with the

Franklin and Pittsylvania Railroad Company, filed with this report, whereby the said Receiver, for and on behalf of himself and his successors, and those claiming under him by virtue of the decrees in this cause, leases the road, which it is proposed shall be built by said Franklin and Pittsylvania Railroad Company, for a term of thirty-four years from its completion and equipment by said Franklin and Pittsylvania Railroad Company, but no such contract executed by said Receiver shall be of binding force and effect until the same shall have been duly ratified and confirmed by the Stockholders of said Franklin and Pittsylvania Railroad Company. And for the purpose of establishing the rights of all parties claiming under this contract, it is hereby declared that in any order hereafter to be made in this cause, providing for a sale of the road, or a re-organization of the Defendant Corporation, said contract shall be duly respected, and all rights acquired thereunder duly protected."

The Franklin and Pittsylvania Road, under this contract, was turned over to the Receiver in the Spring of 1880.

The following Deed of Trust was executed by the Franklin and Pittsylvania Railroad Company on the first of July, 1879, and is now on record :

THIS DEED, Made this first day of July, eighteen hundred and seventy-nine, between the Franklin and Pittsylvania Railroad Company, a corporation created, organized and established under and by virtue of the laws of the State of Virginia, of the first part, and Stephen A. Caldwell, of the city of Philadelphia, J. Wilcox Brown, of the city of Baltimore, and Charles M. Blackford, of the city of Lynchburg, of the second part, witnesseth :

THAT WHEREAS, The Franklin and Pittsylvania Railroad Company is the owner of the franchise and property, real and personal, of a continuous line of railway from Pittsville, in the County of Pittsylvania, the western terminus of the narrow gauge branch of the Washington City, Virginia Midland and Great Southern Railroad, to Rocky Mount, or Franklin Court House, in the County of Franklin, a distance of about thirty-one miles ;

AND WHEREAS, The Franklin and Pittsylvania Railroad Company was authorized and empowered by an act of the General Assembly of the State of Virginia, approved March 12th, 1878, (chapter 219, pp. 203-4, of the Acts of 1877-'78,) to borrow money for the construction or repair of its road, and to issue bonds, and to secure the same by mortgage upon its property and franchises ; and in conformity with said Act, and for the purpose of completing the construction of its road, proposes to borrow money, and execute, issue and negotiate its bonds thereof of the tenor hereinafterwards specified, for an aggregate amount of one hundred thousand dollars—namely : fifty bonds of one thousand dollars each, and one hundred bonds of five hundred dollars each, bearing even date with this deed, and payable thirty-four years after date, with interest coupons thereto attached, conditioned for the payment of interest thereon semi-annually, at the rate of six per centum per annum ;

AND WHEREAS, The Stockholders of the said Franklin and Pittsylvania Railroad Company, at a meeting held, according to law, on the 28th day of October, 1878, at Rocky Mount, in the County of Franklin, adopted, by a majority of the votes cast, a resolution authorizing the President of the said Company, with the consent of the Directors, to issue the bonds herein described, and to make a mortgage to secure the same ;

AND WHEREAS, The President and Directors of said Company, at a meeting held, according to law, on the first day of July, 1879, did adopt the following resolutions :

" *Resolved,* I. That to carry out the resolution of the Stockholders, adopted

at their meeting held at Rocky Mount, Virginia, on the 28th of October, 1878, the President of this Company be, and he hereby is empowered and directed to make and issue the bonds of the Company to the amount of one hundred thousand dollars, of which fifty shall be for the sum of one thousand dollars each, and one hundred for the sum of five hundred dollars each, to bear date July 1st, 1879, and to be payable thirty-four years after date, with interest coupons thereto attached, conditioned for the payment of interest thereon semi-annually, at the rate of six per centum per annum; and the form of the said bonds and coupons to be so issued shall be in substance and effect as follows:

[FORM OF BOND.]

\$.....

No.....

STATE OF VIRGINIA.

The Franklin and Pittsylvania Railroad Company promises to pay to the bearer of this bond, at its agency in the city of Baltimore, on the first day of July, nineteen hundred and thirteen, for value received, dollars, with interest thereon at the rate of six per centum per annum, payable semi-annually according to the tenor of the coupons annexed. This bond is one of a series of this date, amounting in the aggregate to one hundred thousand dollars, the payment whereof is secured by a deed of trust upon all the franchises and property of said Company, of every kind and description, bearing even date herewith, made to Stephen A. Caldwell, J. Wilcox Brown, and Charles M. Blackford, as trustees, which mortgage contains provision for an ample sinking fund for the redemption of said bonds. This bond shall not become obligatory upon the Company until the certificate endorsed thereon shall have been signed by a majority of the trustees above named.

In witness whereof the Franklin and Pittsylvania Railroad Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of its President, this first day of July, 1879.

....., President.

[FORM OF COUPON.]

\$.....

The Franklin and Pittsylvania Railroad Company will pay the bearer dollars, at its agency in the city of Baltimore, on the first day of, being six months interest on its bond No. for dollars.

....., Treasurer.

And each of said bonds shall have endorsed thereon the certificate of a majority of the trustees that it is one of those secured by the said mortgage.

II. That for the like purpose of carrying out the said resolutions of the stockholders of this Company, the President be, and he hereby is, authorized, empowered and directed to execute a deed or mortgage on behalf of this Company, and to affix thereto its seal, upon all the franchises and property of the said Company of every kind and description, including its lease to J. S. Barbour, Receiver, and the rental derived therefrom, for the purpose of securing the payment of the principal and interest of the said bonds.

III. That the President be hereby authorized and instructed to take such steps and make such arrangements as will provide for the accumulation of a sinking fund out of the annual rental of this road to be received under the lease thereof made to the Receiver of the Washington City, Virginia Midland and Great Southern Railroad Company, under the order of the Court in the

case of *Graham against said Company* entered by the Circuit Court of the city of Alexandria, on the 25th of September, 1878.

AND WHEREAS, Said Company has entered into a contract of lease with John S. Barbour, Receiver of the Washington City, Virginia Midland and Great Southern Railroad Company, in the suit of *Graham against said Washington City, Virginia Midland and Great Southern Railroad Company*, now pending in the Circuit Court for the city of Alexandria, whereby it has leased said road to said Receiver, and those claiming under him and under the decrees of the said Court regarding the same, for an annual rental, during a term of thirty-four years, of a sum equal to seven per centum upon the amount of the coupon mortgage bonds herein secured, of which annual rental six-sevenths is to be applied to the payment of interest on said bonds, and one-seventh to the accumulation of a sinking fund to meet the same at maturity; which said lease is in the following words and figures:

LEASE.

This deed, made the 19th of September, 1878, between the Franklin and Pittsylvania Railroad Company, of the first part, and John S. Barbour, Receiver, in the chancery suit of *John C. Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*, now pending in the Circuit Court of the city of Alexandria, of the second part:

WHEREAS, The Franklin and Pittsylvania Railroad Company proposes to construct a narrow-gauge railroad from Pittsville, in Pittsylvania county, (the western terminus of the branch road of the Washington City, Virginia Midland and Great Southern Railroad Company, at Narrow-Gauge Junction Station on said road), to Rocky Mount, the county seat of Franklin county, which road, when constructed, will be a valuable feeder to the traffic of the main line of the said Virginia Midland Railroad;

AND WHEREAS, For the purpose of constructing so much of said narrow-gauge railroad as lies in the county of Franklin, said county has subscribed two hundred thousand dollars of its bonds to the capital stock of said Company, which subscription, it is thought, is sufficient to build the twenty miles of said road which lies in said county;

AND WHEREAS, For the purpose of securing the construction of the remaining ten miles of said road, the said Narrow-Gauge Railroad Company proposes to execute a deed of trust upon its road, privileges and franchises, whether constructed or to be constructed, in possession or to be acquired, for the purpose of securing the prompt payment of an issue of its coupon bonds, not to exceed one hundred thousand in amount, which are to be sold for the purpose of raising the funds necessary for such construction;

AND WHEREAS, It is now proposed to lease the said Narrow-Gauge Railroad, when constructed, to said John S. Barbour, Receiver as aforesaid, upon terms and conditions hereinafterwards set forth, which terms and conditions are deemed judicious and beneficial to both the said contracting parties;

AND WHEREAS, The Board of Directors of said Narrow-Gauge Railroad Company has authorized its President to execute a lease of said road to said Receiver upon the terms and conditions hereinafterwards set forth;

AND WHEREAS, John S. Barbour, Receiver as aforesaid, deeming it to the interest of the said Washington City, Virginia Midland and Great Southern Railroad Company, is willing to make such a lease of said Narrow-Gauge Railroad, provided his action in so doing is approved, authorized and ratified by a decree of said Circuit Court of Alexandria, in the chancery cause in which he was appointed Receiver;

"Now this Deed witnesseth, That in consideration of the premises and of the contracts and undertakings of said Receiver, herein afterwards set forth, the said Franklin and Pittsylvania Railroad Company doth demise and lease to said Jno. S. Barbour, Receiver, as aforesaid, and those claiming under his action herein by virtue of decrees herein after rendered in said cause of *Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*, its whole Road from Rocky Mount to Pittsville, whether constructed or to be constructed, together with all its stations, water-tanks, switches, sidings, privileges, franchises, and other appurtenances, including an equipment of rolling stock not to exceed in value twenty thousand dollars, for thirty-four years; said term not to commence until said Franklin and Pittsylvania Railroad Company has completed and delivered said road to said Receiver, and supplied the same with such amount of rolling stock and other equipment as may be necessary to its use and enjoyment, provided said equipment shall not exceed in cost the sum of twenty thousand dollars.

"In consideration of the above demise of said premises to him, the said John S. Barbour, Receiver, as aforesaid, promises and agrees to pay to said Franklin and Pittsylvania Railroad Company an annual rental during the term of said thirty-four years of a sum equal to seven per centum upon the amount of said coupon mortgage bonds, which said Company proposes to issue as stated above, provided said issue shall not exceed the sum of one hundred thousand dollars; said rent to be paid semi-annually at such dates as will be the same with the dates of the semi-annual payment of interest on said bonds. In making the payment of rent as above provided, the said Receiver is authorized to take such reasonable and just precautions as may be necessary to secure the application of six-sevenths of such annual rent to meet the interest on the said coupon bonds of said Company, and the setting aside annually of the remaining one-seventh thereof for the purpose of creating a sinking fund to meet the principal of said bonds as they may fall due.

"And the said Receiver further agrees to apply the receipts which may be derived from the said property hereby demised,

"First. To the payment of the annual expenses of running said road and of keeping it and the said equipment in proper repair.

"Second. To reimburse himself for the payment of said annual rent which by this contract he has agreed to pay for the use of said road.

"Third. To the payment of a dividend of seven per centum upon the capital stock of said Company, provided said capital stock shall not exceed in par value the sum of two hundred thousand dollars. This dividend to be paid to the holders of said stock.

"Fourth. The residue of said receipts, if any, after making the above named payments in the order in which recited, shall be retained by the said Receiver for the use and benefit of the trust in his hands under the said order of Court.

"And the said Receiver further covenants and agrees to return said road at the end of the said term of thirty-four years in as good repair as it is when he receives it, and to return rolling stock and equipment equal in value to that which he receives. But it is expressly understood and agreed between said parties that this contract shall not take effect or have binding force until it shall have been ratified and approved by the Stockholders of the said Franklin and Pittsylvania Railroad Company, and shall further have been authorized, approved, sanctioned and ratified by a decree of the Circuit Court of Alexandria in said cause of *Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*.

"In testimony whereof Giles W. B. Hale, the President of said Franklin and Pittsylvania Railroad Company has hereto signed his name and caused the official seal of said Company to be hereto affixed; and John S. Barbour,

Receiver, as aforesaid, has hereto affixed his hand and seal. All done at Lynchburg, in the State of Virginia, this 19th day of September, 1878.

[SEAL.]

G. W. B. HALE, Pres. F. & P. R. R. Co.

[SEAL.]

JNO. S. BARBOUR, Receiver.

AND WHEREAS, Said John S. Barbour, Receiver as aforesaid, was duly authorized and empowered to enter into and execute said lease, and his making and execution thereof was duly ratified, approved and confirmed by a decree of the Circuit Court of Alexandria, entered in said cause of *Graham vs. The Washington City, Virginia Midland and Great Southern Railroad Company*, on the 25th of September, 1878, which is in the following words and figures :

[EXTRACT FROM DECREE.]

"And the Court being of opinion that the interest of all the parties to this suit will best be consulted by the execution of the lease of the Franklin and Pittsylvania Railroad referred to in said Receiver's report, as having already been made and entered into with the Franklin and Pittsylvania Railroad Company, the Court doth hereby authorize and empower John S. Barbour, Receiver as aforesaid, for and on behalf of said Defendant Corporation, and all the parties interested therein, to make and enter into the contract with the Franklin and Pittsylvania Railroad Company, filed with this report, whereby the said Receiver, for and on behalf of himself and his successors, and those claiming under him by virtue of the decrees in this cause, leases the road, which it is proposed shall be built by said Franklin and Pittsylvania Railroad Company, for a term of thirty-four years from its completion and equipment by said Franklin and Pittsylvania Railroad Company, but no such contract executed by said Receiver shall be of binding force and effect until the same shall have been duly ratified and confirmed by the Stockholders of said Franklin and Pittsylvania Railroad Company; and for the purpose of establishing the rights of all parties claiming under this contract, it is hereby declared that in any order hereafter to be made in this cause, providing for a sale of the road, or a re-organization of the Defendant Corporation, said contract shall be duly respected, and all rights acquired thereunder duly protected."

AND WHEREAS, Said contract of lease above set forth has been duly ratified and confirmed by the Stockholders of said Franklin and Pittsylvania Railroad Company;

AND WHEREAS, It is the intention of the said party of the first part to secure the punctual payment of the said bonds and their coupons by the execution and delivery of this indenture to the parties of the second part, and by the conveyance and transfer of all rights under the said contract of lease, and to provide that the payment stipulated for by the said contract, shall, as paid, be so applied as to meet the coupons for interest on said bonds and the principal of the said bonds when they shall mature, as well as by a conveyance of all its franchises, tolls, receipts and other property, real and personal;

AND WHEREAS, In order to give full effect, according to its true intent and meaning, the said parties thereto have agreed and entered into a contract with the People's Savings Bank, at Lynchburg, whereby it is stipulated that of the seven thousand dollars annually, payable to the Franklin and Pittsylvania Railroad Company, by said John S. Barbour, Receiver, and his successors to said contract, one thousand dollars shall be paid in quarterly instalments by said Receiver and his successors as aforesaid to said Bank, which sum shall be applied by the said Bank, to the creation and maintenance of a sinking fund for the extinguishment of the principal of the said bonds, as herein afterwards provided;

AND WHEREAS, It is further agreed by the parties to the said contract that the remaining six thousand dollars of the rental reserved in the said contract,

shall be paid by the said Receiver and his successors as aforesaid, in semi-annual instalments upon the first day of January and July of each year during continuance of said lease to the agency of the said Franklin and Pittsylvania Railroad Company, in the city of Baltimore, at whose office the principal and interest of the said bonds are payable, where the said sum of money so paid, or so much thereof as may be necessary, shall, under direction of the said Trustees be applied to the payment of the coupons attached to the said bonds semi-annually, as them shall mature.

Now, therefore, this deed witnesseth, That the said Franklin and Pittsylvania Railroad Company, in consideration of the premises, and in order to secure the due payment of said bonds and the coupons thereto attached, doth hereby grant, convey, bargain and sell unto the said Stephen A. Caldwell, J. Wilcox Brown and Charles M. Blackford, as Trustees and their successors in the trust herein created, all the franchises and property of the said Company, acquired and to be acquired, of every kind and description, including its entire line of Railroad constructed or to be constructed, as hereinbefore stated, extending from Pittsville, in the county of Pittsylvania, to Rocky Mount in the county of Franklin, together with all the branches thereof, constructed or to be constructed, with all the appurtenances and equipments, rights and privileges pertaining to said Road and branches, and the tolls, rents, issues and profits thereof respectively, including the road-way and tracks, rails and road-bed, side tracks bridges, viaducts, fences, depot and store houses, machine shops, and all other buildings, structures and other things belonging to or used or designed for use or in connection with the said Railroad or branch railroads, respectively, together with all locomotives and tenders, freight and passenger cars and all other cars and all other rolling stock whatsoever, machinery, tools and all materials for the use of said Railroad or any of its branches, and all other personal or real property thereto belonging, including all property and things whatsoever of any such nature or description as is above mentioned, which shall be hereafter acquired or possessed by said Company for or in connection with its above described line of Railroad and branches, or the working, use or operation thereof, as well as such things and such property as are now owned or possessed by said Company; *Provided*, however, that nothing herein contained shall be so construed as to include a conveyance by the said Company to the said Trustees of the unpaid capital stock subscribed by individuals, or any bonds of the county of Franklin now held, or which may be hereafter acquired by said Company.

And especially is this clause intended to transfer, assign and convey to said Trustees the said contract of lease of the Road of said Franklin and Pittsylvania Railroad Company heretofore specifically set forth, and all rights, tolls, interests, income, rents, revenues, privileges and franchises thereunder now held by said party of the first part, and the conveyance of said Road herein above made is subject to the terms and provisions of said lease.

To have and to hold the said above-described premises, property, lease, franchises, rights and appurtenances to the said parties of the second part, and the survivors or survivor and their successors as joint tenants.

But upon this trust, nevertheless,

To secure each and every one of said bonds for said one hundred thousand dollars, to-wit: fifty of one thousand each, and one hundred of five hundred dollars each, equally and without any preference of any one or more of said bonds over any other or others, by reason of priority of time of issue, negotiation, or from any other cause:

And the premises, property, rights and franchises hereby conveyed are to be held by the said trustees and their successors upon the following trusts and purposes—to-wit:

First. Until default shall be made in the payment of the interest or the principal of any of the aforesaid bonds, the party of the first part shall hold,

use and enjoy all its said property, and shall take and receive the income, earnings and property thereof for its own proper use as fully as if this indenture had never been made.

If the party hereto of the first part, its successors or assigns shall, at any time hereafter, after demand made, make default, or refuse, neglect or omit for any period exceeding thirty days, to pay, or cause to be paid, the semi-annual interest on, or the principal sum of each and all of the said bonds intended to be hereby secured, or any of them when and as the same shall become due and payable according to the terms hereof, or shall, after demand made, make default or refuse, neglect or omit for any period exceeding thirty days, to set apart and appropriate, or cause to be set apart and appropriated the sum required for the sinking fund as hereinafter provided, then and in either such case, the trustees or trustee for the time being shall and will, upon the written request of holders of at least one-fifth in amount of the said bonds then outstanding, enter upon and take possession of the railroads, estates, real and personal, and premises hereby mortgaged or agreed or intended so to be and shall and will thereupon operate, use, manage and control the said railroads, estates, real and personal, and premises, possession of which may be so taken to the best advantage and appropriate the net income and proceeds derived therefrom (after deducting the expenses of this trust and such sum or sums as may be sufficient to indemnify the trustees or trustee for the time being, against any liability, loss or damage, for or on account of any matter or thing done by them or him in good faith in pursuance of their or his duty as trustees or trustee) to the payment in full, without giving preference, priority or distinction to one bond over another; *first*, of all the interest due on; and *secondly*, of the principal of all the aforesaid bonds then outstanding and intended to be hereby secured, in full, if the said income and proceeds be sufficient, but if not, then *pro rata*; or the said trustees or trustee shall and will, after or without entering upon or taking such possession upon the written request of holders of a like amount of the said bonds then outstanding, proceed to sell the railroads, estates, real and personal, corporate rights and franchises and premises hereby mortgaged or agreed or intended so to be, to the highest and best bidder, at public sale, in the city of Lynnhburg, (first giving at least three months' notice of the time and place of such intended sale, by publication, to be made in at least one newspaper, published in each of the cities of Lynnhburg, Richmond and Baltimore); or the said trustees or trustee for the time being, may, at their or his discretion, without such entry or taking possession as aforesaid, proceed by all available means to enforce the provisions of the said contract with John S. Barbour, Receiver as aforesaid, and shall also proceed to collect all sums of money then in arrears under the terms thereof: *Provided, however*, That while and so long as no default shall have been made in the semi-annual payments provided to be made by the terms of the contracts with the said John S. Barbour, the said trustees or trustee for the time being shall, instead of the entry and taking possession or sale hereinbefore provided for, proceed to collect the quarterly payment mentioned in the said contract and to apply so much thereof as may be necessary to the payment of the interest upon the bonds intended to be hereby secured and then outstanding, as the same shall become due, and the residue to the sinking fund hereinafter provided for.

In the case of any sale as in either event herein authorized, the said trustees shall have power, and the same is hereby expressly conferred upon them to execute good and sufficient conveyances to the purchaser or purchasers of the premises sold, passing thereunto all the right, title and interest of the said Franklin and Pittsylvania Railroad Company in the property and franchises so sold, without liability on the part of the purchaser or purchasers to see to the application of the purchase money; and it is hereby expressly agreed that any and every sale so made as aforesaid shall be a perpetual bar, both at law and in equity against the party of the first part hereto, its successors and assigns, and against all and every person claiming or to claim the premises then sold, or any part thereof, by, through or under it, its successors or assigns.

The proceeds of such sales, after deducting the costs and expenses thereof, and the expenses of this trust, shall be by the aforesaid trustees applied, in the first instance, to the discharge of the past due and unpaid interest, and next to the payment of the principal of said bonds *pro rata*, and the residue, if there be any, shall then be by them paid over to the said Franklin and Pittsylvania Railroad Company. *It being distinctly understood and agreed, (any law or usage to the contrary notwithstanding,) that no part of the premises hereby mortgaged, or intended so to be, shall be sold under proceedings either at law or equity for the recovery, either by the parties hereto of the second part or their successors in the trust, or by the holders or holder of the bonds intended to be hereby secured, or any of them, of the whole or any portion of the principal or interest of said bonds; excepting, however, proceedings to enforce the trust herein declared, it being the intention and agreement of the parties, for the better securing the largest possible price for the mortgaged premises, in the event of a sale thereof, that the mode of sale hereinbefore provided shall be exclusive of all others.*

Second. The said party of the first part hereby covenants and agrees with the parties of the second part that it will warrant generally the property herein conveyed; that it has done no act to encumber the same except to enter into the lease aforesaid; and that it will hereafter, upon reasonable request, make, do and execute all such other and further reasonable assurances, acts and deeds as in the opinion of competent counsel shall be necessary or proper to effectuate the lien or security hereby intended to be created for the benefit of the bondholders entitled to the security hereby provided or intended to be provided, and especially to render subject to the lien of this deed any and all after-acquired property of such description as is herein above described to be intended to be embraced in the security hereby afforded or intended to be afforded.

Third. Whenever, under the provisions of this deed, the Trustees are empowered to act, a majority shall be competent; and in all cases the survivor or survivors, successor or successors, may act.

Fourth. The said Trustees shall not be in any manner responsible for the default or misconduct of each other in said trust, nor for the neglect, default or misconduct of any agent or attorney appointed pursuant to these presents, or for anything in respect to said premises or the trusts hereby created, except personal misconduct or gross negligence in the execution of said trust.

Fifth. Said Trustees, or either of them, may, by a paper duly signed and forwarded to the said Company, at any time hereafter, resign the said office of Trustee, and withdraw from the further execution of this trust; and thereupon, or in case at any time hereafter either of said Trustees, or any Trustee hereafter appointed, shall die, be removed by order of Court, or become mentally or otherwise incapacitated to execute the trust, such vacancy thus created may be filled by the Circuit Court of the County of Franklin, or the Judge thereof in vacation, upon the motion of said Company, upon ten days' notice to each of the other and remaining Trustees; or, in case there then be no other Trustee, upon a notice of such motion published once a week for four successive weeks in a newspaper published in the city of Lynchburg. And the appointment of a Trustee so made shall be deemed effectual to vest in him the appropriate estate, rights, powers and duties as herein provided in that behalf, without any new deed and conveyance; but nevertheless the said Company covenants to execute any such new deed, conveyance or assurance as may be requisite to vest in and confirm to such new Trustee such estate, rights, powers and duties; and in every case of resignation of a Trustee, said resigning Trustee shall, if requested, make and execute such conveyance or assurances to his successors.

Sixth. And the party of the first part shall and will well and truly pay or cause to be paid unto the holder or holders of said bonds the principal and

interest thereof as such principal and interest becomes payable, according to the tenor of the said bonds, respectively, and of the coupons thereto attached, and that to provide for the redemption of the bonds intended to be hereby secured, it will set apart and appropriate or cause to be set apart and appropriated annually the sum of one thousand dollars (\$1,000), together with a sum equal to the interest which would have been payable upon the bonds theretofore redeemed, as a surety fund to be applied under the direction of the trustees or trustee for the time being to the purchase of so many of the said bonds as can be procured at prices not exceeding par: *Provided*, That if the said bonds cannot be purchased at said prices then a drawing by lot shall be held under the direction of the trustees or trustee for the time being, annually in the month of December, (the first drawing to be held in December, 1880,) for the purpose of determining the numbers of the bonds which shall be paid, and on the first day of January following such drawing, the principal of the bonds whose numbers shall have been drawn, shall, upon the surrender thereof with all unmatured coupons thereto belonging, become due and payable, interest ceasing from that date: *Provided further*, That if the last bond drawn at any drawing shall be of such an amount as to make the total amount drawn exceed the amount then in the sinking fund, such number shall be rejected and the drawing shall continue until the amount then in the sinking fund shall have been exhausted as nearly as possible, and the bonds so purchased or drawn, shall be cancelled immediately upon payment thereof.

Seventh. It is further provided and declared that if the said party of the first part shall well and truly keep and perform the foregoing covenants and agreements on its part to be performed, and shall well and truly pay the interest and principal of the bonds herein secured according to the tenor thereof, then this deed shall be void; otherwise shall remain in full force and effect.

In testimony whereof, the said party of the first part hath hereunto affixed its corporate seal and caused the same to be attested by the signature of Giles W. B. Hale, its President; and the said parties of the second part have hereunto set their hands and seals the day and year first above written.

{ Seal of }	GILES W. B. HALE,
{ F. & P. R. R. Co. }	President of the Franklin and Pittsylvania Railroad Company.

STEPHEN A. CALDWELL.	{ SEAL }	} Trustees.
J. WILCOX BROWN.	{ SEAL }	
CHARLES M. BLACKFORD.	{ SEAL }	

Know all men by these presents, That I, John S. Barbour, Receiver of the Washington City, Virginia Midland and Great Southern Railroad Company, one of the parties named in the foregoing deed and in the lease recited therein, do hereby express my assent to the terms of the said indenture, and do hereby agree that the payments provided for in the said contract of lease to be made by me shall be made in accordance with the provisions of the said foregoing indenture.

Witness my hand and seal, this first day of July, 1879.

JNO. S. BARBOUR, Receiver. [SEAL]

On the 13th of February, 1880, what is known as the "*Decree of Sale*," was entered in the case of *Graham v. Washington City, Virginia Midland and Great Southern Railroad Company*. The following extracts from it, as amended a few days thereafter, are necessary to this history:

VIRGINIA:—AT A CIRCUIT COURT OF THE CITY OF ALEXANDRIA CONTINUED AND HELD AT THE COURT HOUSE OF SAID CITY ON FEBRUARY 13, 1880.

GRAHAM
vs.
W. C. V. M. & G. S. R. R. Co. } In Chancery.

* * * * *
XXXIX. The Court declares and decrees that by reason of the several defaults made by the defendant corporation in the payment of principal and interest on its own and the bonds of the several corporations which have from time to time been consolidated into it, the plaintiff and the holders of all the different classes of such bonds are severally and respectively entitled to enforce their said liens by a sale according to the usual course and practice of the Court.

XL. The Court declares and decrees that the premises, rights, franchises, works and property of the defendant corporation, upon which and the divisions of which, the several deeds of trust hereinafterwards set forth, are respectively liens cannot be sold in parcels without loss and prejudice to all parties interested therein, and that the nature and situation of the property is such that the interest of all parties requires that it shall be sold as an entirety.

XLI. The Court declares and decrees that the several liens on said road and the respective divisions and parcels thereof are as follows, to-wit:

(1.) That the deed of trust dated October 21, 1851, whereby the Orange and Alexandria Railroad Company conveyed to G. B. Lamar, as trustee, so much of the road of the defendant corporation and the property thereto pertaining, including the Warrenton branch, as lies between Alexandria and Gordonsville, and all other property, franchises, rights and premises in said deed specified, secured an indebtedness now unsatisfied, which, on the 1st of January, 1880, amounted to the sum of five hundred and seventy-six thousand and eight hundred and eighteen dollars (\$576,818), of which four hundred thousand dollars (\$400,000) is evidenced by bonds named in said deed known as the "First Mortgage Orange and Alexandria Bonds," which fell due November 1st, 1866, and bear six per centum interest—one hundred and twenty-four thousand three hundred and eighty dollars (\$124,380) is evidenced by bonds and certificates of said Orange and Alexandria Railroad Company given on the 1st of November, 1866, for funded, unpaid and past due interest on first named bonds, all of which became due November 1st, 1873, and bear a like interest; and fifty-two thousand four hundred and thirty-eight dollars (\$52,438) is past due and unpaid interest to January 1st, 1880, on both classes of said bonds. This sum of five hundred and seventy-six thousand and eight hundred and eighteen dollars (\$576,818), with such interest as has accrued and may accrue on said bonds and certificates since January 1st, 1880, constitute a first lien on so much of said road as is conveyed in said deed.

(2.) That the deed of trust dated January 1st, 1855, whereby the Orange and Alexandria Railroad Company conveyed to said G. B. Lamar, as trustee, so much of the road of the defendant corporation and the property thereto pertaining, including the Warrenton branch, as lies between Alexandria and Lynchburg, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now unsatisfied, which, on the 1st of January, 1880, amounted to the sum of one million eight hundred and sixteen thousand and nineteen dollars and seventy-five cents (\$1,816,019 75), of which one million one hundred and ninety-seven thousand five hundred dollars (\$1,197,500) is evidenced by bonds originally secured in said deed, known as the "Second Mortgage Orange and Alexandria Railroad Bonds," which fell due January 1st, 1875, and bear six per centum interest. Three hundred and eighty-one thousand four hundred and sixty-five dollars (\$381,465) is evidenced by bonds and certificates of said Orange and Alex-

andria Railroad Company, given on the 1st day of November, 1866, for funded and unpaid past due interest on said second mortgage bonds, all of which fell due January 1st, 1875, and bear a like interest; and two hundred and thirty-seven thousand fifty-four dollars and seventy-five cents (\$237,054.75) is past due and unpaid interest to January 1st, 1880, on said original and funded bonds and certificates. This sum of one million eight hundred and sixteen thousand and nineteen dollars and seventy-five cents (\$1,816,019.75), with such interest as has accrued and may accrue on said bonds and certificates since January 1st, 1880, constitute the second lien on so much of said road as lies between Alexandria and Gordonsville, and the first lien on so much as lies between Charlottesville and Lynchburg.

(3.) That the deed of trust dated April 30th, 1858, whereby the Orange and Alexandria Railroad Company conveyed to W. H. Marbury, J. R. Tucker and W. B. Preston, as Trustees, so much of the road of the defendant corporation and the property thereto pertaining, including the Warrenton Branch, as lies between Alexandria and Lynchburg, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now unsatisfied, which on the first day of January, 1880, amounted to the sum of one million one hundred and seven thousand three hundred and thirty dollars (\$1,107,330), of which six hundred thousand dollars (\$600,000) is evidenced by bonds, originally secured in said deed, known as "Third Mortgage Orange and Alexandria Railroad Bonds, which bear eight per centum per annum interest, and fell due April 30, 1873; two hundred and fifteen thousand two hundred and sixty dollars (\$215,260) is evidenced by bonds and certificates of said Orange and Alexandria Railroad Company, given on the 1st day of November, 1867, for funded and unpaid past due interest on said third mortgage bonds, all of which bear six per centum per annum interest, and fell due April 30, 1873; two thousand five hundred and forty dollars (\$2,540) is unpaid and past due coupons on said third mortgage bonds, all of which bear six per centum interest, and two hundred and eighty-nine thousand five hundred and thirty dollars (\$289,530) is due and unpaid interest to January 1st, 1880, on said bonds, certificates and coupons above recited. This sum of one million one hundred and seven thousand three hundred and thirty dollars (\$1,107,330), with such interest as has accrued and may accrue on said bonds, coupons and certificates since January 1st, 1880, constitute the third lien on so much of said road as lies between Alexandria and Gordonsville, and a second lien on so much as lies between Charlottesville and Lynchburg. And the Court sustains the report of Commissioner Shepperd, especially so far as it excludes from participating under the lien of this mortgage the claim of the Baltimore and Ohio Railroad Company as assignee of so much of the debt originally secured therein as belonged to the State of Virginia, the Court being of the opinion that said claim is no longer a lien under said mortgage.

(4.) That the deed of trust dated December 1st, 1860, whereby the Orange and Alexandria Railroad Company conveyed to R. E. Scott, J. R. Tucker, and F. L. Smith, as Trustees, so much of the road of the defendant corporation and the property thereto pertaining including the Warrenton Branch, as lies between Alexandria and Lynchburg, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now unsatisfied, which on the 1st day of January, 1880, amounted to the sum of one million three hundred and thirteen thousand five hundred and ten dollars and forty-nine cents (\$1,313,510.49), of which seven hundred thousand dollars (\$700,000) is evidenced by bonds originally secured in said deed, known as "Fourth Mortgage Orange and Alexandria Railroad Bonds," which bear eight per centum interest and fall due September 1st, 1880, one hundred and fifty-one thousand three hundred and forty-four dollars (\$151,344) is evidenced by bonds and certificates of said Orange and Alexandria Railroad Company, given for funded and unpaid past due interest on said fourth mortgage bonds, all of which bear six per centum interest and fall due September 1st, 1880. Three hundred and sixty-nine thousand four hundred and forty-eight dollars (\$369,448) is

unpaid and past due coupons on said third mortgage bonds and on said funded interest bonds and certificates, all of which bear six per centum interest from maturity; and ninety-two thousand seven hundred and eighteen dollars and forty-nine cents (\$92,718.49) is due and unpaid interest to January 1st, 1880, on said bonds, certificates and coupons above recited. The sum of one million three hundred and thirteen thousand five hundred and ten dollars and forty-nine cents (\$1,313,510.49), with such interest as has accrued and may accrue on said bonds, coupons and certificates since the 1st day of January, 1880, constitute the fourth lien on so much of said road as lies between Alexandria and Gordonsville, and a third lien on so much as lies between Charlottesville and Lynchburg.

(5.) That the deed of trust dated January 1st, 1855, whereby the Manassas Gap Railroad Company conveyed to G. B. Lamar, as Trustee, so much of the road of the defendant corporation as lies between Manassas and Harrisonburg with the branches and other property thereto pertaining and all other property, rights, franchises and premises, in said deed specified, secured an indebtedness now unsatisfied amounting to the sum of \$79,600.85 as of January 1st, 1880, of which \$10,535.00 is evidenced by bonds and unpaid coupons thereon originally secured in said deed, bearing six per centum interest and due January 1st, 1874; \$53,500.00 is the principal of a debt due to J. B. Daingerfield for which he holds \$..... of said bonds as collateral security; \$10,000 is the principal of a debt due to the First National Bank of Alexandria for which it holds \$..... of said bonds as collateral security, and \$5,565.85 is interest to January 1st, 1880, on said bonds, coupons and debts above recited, said sum of \$79,600.85 with such interest as has accrued and may accrue on said bonds, coupons and debts since 1st January, 1880, constitute the first lien on so much of the road of the defendant Corporation as is conveyed in said deed.

(6.) That the deed of trust dated July 1st, 1867, whereby the Orange, Alexandria and Manassas Railroad Company conveyed to G. W. Riggs, as trustee, so much of the Road of the defendant corporation as lies between Alexandria and Lynchburg and Manassas and Harrisonburg, and its branches and other property thereto pertaining, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now outstanding and unsatisfied, which on the 1st of January, 1880, amounted to the sum of one million eight hundred and ninety-one thousand eight hundred and seventy-one dollars and eighty-seven cents, (\$1,891,871.87), of which one million six hundred and fifty thousand dollars (\$1,650,000.00) is evidenced by bonds, originally secured in said deed, known as "First Mortgage Orange, Alexandria and Manassas Railroad Bonds," which bear seven per centum interest, and fall due July 1st, 1882. Two hundred and thirty-one thousand four hundred and thirty-seven dollars and fifty cents (\$231,437.50) is over due coupons on said bonds which bear six per centum interest, and ten thousand, four hundred and thirty-four dollars and thirty-seven cents (\$10,434.37) is interest on said over due coupons to January 1st, 1880. Said sum of one million eight hundred and ninety-one thousand eight hundred and seventy-one dollars and eighty-seven cents (\$1,891,871.87) with such interest as has accrued or will accrue, since said 1st January, 1880, on said bonds and coupons, constitute a second lien on so much of the road of the defendant corporation as lies between Manassas and Harrisonburg, and a fifth lien on so much as lies between Alexandria and Gordonsville, and a fourth lien on so much as lies between Charlottesville and Lynchburg.

(7.) That the deed of trust dated April 1st, 1871, whereby the Orange, Alexandria and Manassas Railroad Company conveyed to George W. Riggs, as trustee, so much of the road of the defendant corporation as lies between Alexandria and Lynchburg, and Manassas and Harrisonburg, and its branches and other property thereto pertaining, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now outstanding and unsatisfied, which now amounts to the sum of two hundred and seventy-

(two thousand dollars, (\$272,000.00), with past due coupons thereto attached, from April 1st, 1871, and which will be due April 1st, 1896, constitutes a third lien on so much of the defendant corporation as lies between Manassas and Harrisonburg, and a sixth lien on so much as lies between Alexandria and Gordonsville, and a fifth lien on so much as lies between Charlottesville and Lynchburg.

(8.) That the deed dated April 1st, 1871, whereby the Lynchburg and Danville Railroad Company conveyed to D. H. Miller and Robert Garrett, as trustees, so much of the road of the defendant corporation as lies between Lynchburg and Danville and the property thereto pertaining, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness now unsatisfied, amounting to one million seven hundred and fifty-eight thousand five hundred and twenty-two dollars and six cents, (\$1,758,522.06) as of January 1st, 1880, of which one million three hundred and five thousand dollars (\$1,305,000) is evidenced by bonds, originally secured in said deed known as the "Lynchburg and Danville Railroad Bonds," which bear six per centum interest and will fall due on the 1st of April, 1896. Two thousand seven hundred and thirty-two dollars and eight cents (\$2,732.08) is the amount of a debt secured by a deposit of five thousand dollars (\$5,000) of said bonds as collateral security; and four hundred and fifty thousand seven hundred and ninety dollars and ninety-eight cents (\$450,790.98) is past due coupons on said bonds, interest thereon and on said debt at six per cent. to January 1st, 1880—said sum of one million seven hundred and fifty-eight thousand five hundred and twenty-two dollars and six cents (\$1,758,522.06), with such interest as has accrued and will accrue since January 1st, 1880, on said bonds, debts and coupons constitute a first lien on so much of the road of the defendant corporation as lies between Lynchburg and Danville.

(9.) That the deed of trust dated May 1st, 1873, whereby the Washington City, Virginia Midland and Great Southern Railroad Company conveyed to D. H. Miller, Robt. Garrett and J. W. Burke, the entire property of said Company, including all of its divisions, and all other property, rights, franchises and premises in said deed specified, secured an indebtedness, amounting to one million six hundred and eighty-two thousand four hundred and twenty-six dollars and ninety cents (\$1,682,426.90) as of January 1st, 1880, of which one million three hundred and ninety thousand seven hundred and six dollars and sixteen cents (\$1,390,706.16) is evidenced by bonds named in said deed known as the "Gold Mortgage," which fall due May 1st, 1903, and bear seven per centum interest per annum, and two hundred and ninety-one thousand seven hundred and twenty dollars and seventy-four cents (\$291,720.74) is accumulated and past due interest, all of which appears in Commissioner Shepperd's last report. This sum of one million six hundred and eighty-two thousand four hundred and twenty-six dollars and ninety cents (\$1,682,426.90), with such interest as has accrued and may accrue on said bonds and the past due coupons thereto belonging since January 1st, 1880, constitute a seventh lien on so much of the said road of the defendant corporation as lies between Alexandria and Gordonsville, a sixth lien on so much as lies between Charlottesville and Lynchburg, a fourth lien on so much as lies between Manassas and Harrisonburg and a second lien on so much as lies between Lynchburg and Danville.

(10.) The judgments as reported by Commissioner Shepperd in his last report, (page 902) according to their order and priority, constitute liens on the property of the defendant corporation subsequent to all the deeds of trust hereinbefore set forth.

XLII. It appearing that the property of the defendant corporation liable to said liens and subject to sale as hereinbefore set forth cannot be otherwise sold to advantage and without prejudice to the interest of the several liens and the beneficiaries thereunder, the Court doth adjudge, order and decree that the rights, franchises, property and works of the defendant corporation, as specifically set forth in the 37th section of this decree, be sold as an

entirety, free and discharged of and from the liens and incumbrances of the said several deeds of trust and judgments hereinbefore found and recited, and any and all other liens thereon; And when the sale herein ordered shall have been made and confirmed by this Court, all claims and equities of redemption of the several lien-holders in the order of their subordination and of the defendant Company or of any of the companies consolidated into it, shall be forever determined and barred; and as the defendant corporation has this day filed in the papers in the cause an express waiver in writing of a day for payment, and confessed its inability to pay the amount of principal and interest for which it is now in default, the said sale shall be made without further delay and without granting any such day for payment.

XLIII. And the Court doth adjudge, order and decree that John S. Barbour, who is hereby appointed a commissioner for the purpose, do make the sale provided for in the last section, and do sell the rights, privileges, property and works of the defendant corporation as set forth in the 37th section of this decree, as subject to sale for the satisfaction of said liens hereinbefore enumerated in conformity to the directions hereinafterwards contained.

XLIV. Such sale shall be made by said Commissioner at public auction, at some convenient place in the city of Alexandria, in the State of Virginia, to be designated by him. Notice of the time, place and terms thereof shall be given by an advertisement, which shall be published before such sale at least once a week for sixty (60) days, in each of the following newspapers; the Lynchburg Virginian, the Alexandria Gazette, the Baltimore Sun and the New York World; The Baltimore and Ohio Railroad Company, which is the holder of all the debt secured under what is known as the "Gold Mortgage," and the defendant corporation by counsel agreeing that such shall be the time and character of said advertisement.

XLV. The terms upon which said Commissioner shall sell said property shall be for cash, as to a sum of money equal to the principal and interest of all the bonds secured by deeds of trust on said property, or any part thereof, except those secured by the deed of trust of the defendant corporation, dated on the 1st of May, 1873, in which D. H. Miller, Robert Garrett and John W. Burke are trustees, and for a further amount of cash equal to the past due interest on the debt secured by that deed, as to a sum equal to the principal of the debt which has been heretofore ascertained to be due under said deed, on such credit as will meet the amount of said debt at maturity, taking care that as to such deferred payment provision be made for the purchaser to so pay interest on the purchase money, in instalments, that the interest so to be paid by him shall meet the coupons for interest yet to fall due on said principal; as to the residue of the purchase money, on a credit of one, two and three years, with interest from date of sale. For the deferred payment as above provided, the Commissioner shall take the obligations of the purchaser and return them with his report of sale, when the Court will direct how the payment of the same shall be secured by some satisfactory lien on the premises sold. Of the cash which it is herein provided shall be required on the sale of said property, two hundred thousand dollars (\$200,000) shall be paid to the Commissioner within five days after said sale, and the residue shall be paid by the purchaser upon the confirmation of said sale in such manner as the Court in the decree of confirmation may direct.

XLVI. Before making the sale herein provided, the said Commissioner shall enter into a bond before the Clerk of this Court, in the penalty of three hundred thousand dollars (\$300,000), with security to be approved by the Clerk of this Court, conditioned for the faithful performance of his duties as Commissioner. The compensation to said Commissioner for making such sale and the performance of the duties imposed by this decree shall not exceed five thousand dollars (\$5,000.)

XLVII. The Receiver shall remain in possession of said premises and continue to operate the line of railroad after the sale until the conveyance thereof.

The Receiver shall keep a correct account of the earnings and income of the property sold, accruing after sale, and if the sale should be confirmed, the purchaser, on delivery of possession by the Receiver, will be entitled to receive the net income and earnings accruing subsequent to the date of sale.

If the sale shall not be confirmed by the Court, the amount of the purchase money paid by the purchaser shall be refunded without deduction, unless the refusal to confirm shall be due to the fault of the purchaser, in which event such terms will be imposed as the Court may think just and proper.

XLVIII. The purchaser at such sale must take the property, rights, franchises and works sold under this decree by said Commissioner, subject to the leases and contracts specially named in said 37th section of this decree, and all others of a like nature, whether made by the defendant corporation or by the Receiver, and if made by the Receiver, whether under an order of this Court or not; and the said purchaser must as to said contracts and leases take the place of said Company or of said Receiver, as the case may be, and assume any and all liability and obligations thereunder.

XLIX. If the sale be approved by the Court, upon the Commissioner's report thereof coming in, the same shall stand confirmed so soon as all of the terms of sale as specified in this decree shall have been complied with and all acts shall have been done in order to entitle the purchaser to a conveyance of the premises. And upon such compliance and performance, the Court will order a conveyance of title to and transfer of possession of all and singular the premises to the purchaser. The purchaser will also at the same time be entitled to receive all books, maps, plans, papers, records and documents of the defendant corporation and of the Receiver relating and appertaining to the franchises, property and works in question.

L. After due advertisement the Commissioner shall have power for good cause to adjourn the sale from day to day until a sale shall be made by him under the provisions of this decree.

LI. The said Commissioner shall report his acts and doings under this decree, with all convenient speed, to this Court. And in case of any failure on the part of the purchaser to comply with any of the terms of sale, the Commissioner shall report the same to this Court for further directions in the premises; and in case of a resale on account of such failure, the same shall be made at the cost and risk of the purchaser.

LII. The Commissioner will take care that in addition to his advertisement in the newspapers of the time, place and terms of sale herein ordered, that proclamation of such terms and conditions thereof as are set forth in this decree be made on the day and at the place of such sale.

A copy—Teste :

MORTON MARYE, Clerk.

From this and other decrees in this cause a certain *Fred. E. Gibert* appealed to the Supreme Court of Appeals of Virginia. The case on appeal was matured in the Court at Richmond to the June rules 1880. At the session of the Court of Appeals at its July term 1880, at Wytheville, the appellees moved the Court to remove the case to that place for a speedy trial, and after argument the Court entered the following order :

VIRGINIA :—At a Supreme Court of Appeals held at the Courthouse of Wythe County, in the town of Wytheville, on Wednesday, the 4th day of August, 1880 :

The Lynchburg Female Orphan Asylum, } F. C. Latrobe and others,	Petitioners,
AGAINST	
F. E. Gibert,	Contestant.

UPON PETITIONS

To transfer hither for hearing from the docket of this Court, at Richmond, the appeal of said Gibert against the Washington City, Virginia Midland and Great Southern Railroad Company and others.

This day came again the parties to these petitions by their counsel, and the Court having maturely considered the prayer of said petitioners on their petitions, the affidavits respectively filed for and against the same, and upon the printed arguments filed by counsel, it seems to the Court that this is a case in which such transfer ought to be made. Therefore it is ordered that the appeal aforesaid of said F. E. Gibert, against the said Washington City, Virginia Midland and Great Southern Railroad Company and others, be transferred in pursuance of said petitions and for the causes shown in that behalf, from the docket of this Court at Richmond to the docket here; but it further seeming to the Court that said appeal ought not to be now heard, and in that case, the parties, by counsel, severally consenting and preferring that it be heard at Staunton at an early day of the next term of the Court there rather than at such day of this term as can properly be fixed for its hearing here; it is accordingly further ordered that said appeal be further transferred from the docket here to the docket of this Court at Staunton aforesaid, there to be put at the head of the docket and heard on the first day of the next term, and to that end that a copy of this order be certified forthwith as well to the Clerk of this Court at Staunton, as to the Clerk of this Court at Richmond.

A copy—Teste :

JOS. W. CALDWELL, C. C.

In accordance with this order the cause was put upon the docket at Wytheville and elaborately argued by Messrs. F. L. Smith, W. W. Gordon and J. H. Carrington for the appellants, and Wm. J. Robertson, James Alfred Jones, Wm. H. Payne and Chas. M. Blackford for the appellees.

The following decree of the Circuit Court of Alexandria gives the result :

At a Special Term of the Circuit Court of the City of Alexandria, held at the Courthouse of said city, on Friday, October 15th, 1880 :

GRAHAM	} In Chancery.
AGAINST	
W. C., V. M. & G. S. R. R. Co.,	

The following decree having been certified from the Supreme Court of Appeals, the same is ordered to be entered of record which is done accordingly in the words and figures following, to wit :—

VIRGINIA :

At a Snpreme Court of Appeals of Virginia, held at the Courthouse of Augusta county, at Staunton, on the 7th day of October, 1880.

F. E. Gibert,

Appellant.

against

The Washington City, Virginia Midland and Great Southern }
Railroad Company, et als. } Appellees.

Upon appeal from, and supersedeas to, a decree of the Circuit Court for the City of Alexandria, pronounced on the 13th day of February, 1880, and others, in the cause then therein depending, of John C. Graham against the Washington City, Virginia Midland and Great Southern Railroad Company, and others.

This day came again the parties by their counsel, and the Court having maturely considered the transcript of the record of the decrees aforesaid, and the arguments of counsel, is of opinion, for reasons stated in writing, and filed with the record, that there is no error in the several decrees of the said Circuit Court, appealed from by the appellant F. E. Gibert, as to which, the decree of this Court is now rendered.

It is, therefore, decreed and ordered that the said several decrees, except so far as hereinafterwards mentioned, be in all respects affirmed, and that the appellees recover against the appellant their costs by them expended in the defence of the appeal and supersedeas here. But the Court expressly reserves for future decision so much of the appellant's thirteenth assignment of error as applies to the decree of said Circuit Court for the payment of sundry executions therein named. And this Court now expressing no opinion as to the question of compound interest raised in the appeal, leaves that question open to the Court below, when it comes to distribute the fund, after the sale, among the parties entitled thereto.

And it is expressly further provided that the questions on sundry appeals granted to Wm. J. Robertson, J. K. Tucker, The Abbot Iron Company, Williamson's administrator, and Reed & Morton, and the question arising on the 21st section of the decree of said Circuit Court rendered on the 13th of February, 1880, which rejected the claim of Sarah G. Smith, executrix of F. L. Smith, shall not be in any manner affected by the decree, but that all of said questions will be considered by the Court at its term to be held in Richmond. All of which is ordered to be certified to the said Circuit Court of the City of Alexandria.

And, again, on Thursday the 14th day of October, 1880,

Upon petition of appellant to set aside and rehear the decree entered in this cause on the 7th instant.

This day came again the parties by their counsel, and the Court having maturely considered the petition aforesaid, it is ordered that the same be denied, and on motion of the appellees by counsel, and for reasons appearing to the Court, it is ordered that the decree entered in this cause on the 7th instant be forthwith certified to the said Circuit Court of the City of Alexandria.

Copies—Teste,

(Signed)

JOS. A. WADDELL, Clerk.

Appellees' costs in Supreme Court of Appeals at Staunton, \$21.29.

J. A. W."

And thereupon this cause came on this day to be further heard on the papers formerly read and the said decree of the Supreme Court of Appeals, and was argued by counsel. Upon consideration whereof the Court doth order that Commissioner H. Shepperd do revise his calculations and statements of interest upon the several classes of bonds and coupons which have been ad-

judged liens upon the property, rights and franchises of the defendant corporation, or any part thereof, which have heretofore been made by him and filed in this cause, and do ascertain whether any, and if any, what compound interest upon said bonds or coupons may have entered into his said former statements, and make report thereof within sixty days from this day. And before taking said account the Commissioner will give notice of the time and place of so doing by publication for once a week for four successive weeks, in one of the newspapers published in the City of Alexandria, which publication shall be equivalent to a personal service of such notice.

And it appearing from said decree of the Court of Appeals that the order of sale of the rights, property and franchises of the defendant corporation entered on the 13th of February, 1880, has been affirmed by said Court of Appeals, the Court doth decree that said order of sale is in full force and effect, and that the Commissioner therein appointed to make such sale proceed to execute such decree.

A copy—Teste :

MORTON MAYRE, Clerk.

The creditors of the Washington City, Virginia Midland and Great Southern Railroad Company, and its divisions, secured and unsecured, with a view of purchasing the property, rights and franchises of the Company, formed an organization and appointed *R. T. Baldwin, S. Wilcox Brown and Robert Garrett* their trustees and agents. The articles of association are as follows :

SCHEME FOR REORGANIZATION OF THE WASHINGTON CITY, VIRGINIA
MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY.

Recommended by the Committee of Bondholders of said Company, appointed at a meeting held at the National Mechanics' Bank, in the City of Baltimore, June 26th, 1879.

I. All the works and property, franchises, rights and privileges of the Company shall be sold by the Receiver, under a decree of the Circuit Court for the City of Alexandria, in the State of Virginia, in the suit now pending in that Court of John C. Graham against the Company, free of all mortgages and claims of ereditors and stockholders of the Company. Three Trustees shall be appointed as follows, by the parties representing a majority in par value of all claims intended to be provided for by this scheme of reorganization, that is to say: the said appointment shall be evidenced to the Court at the time this scheme is presented for its action by a writing signed by parties representing the majority at par value of all claims, the holders of which may have become parties to this scheme, by subscribing their assent thereto on or before the 1st day of September, 1879.

II. The property and franchises to be sold under said decree shall be purchased by said Trustees for the creditors, secured and unsecured, of the Company, for the purpose of organizing as hereinafter set forth a new Company, with all the franchises, rights and privileges of the old Company, and such others as by the laws of the State of Virginia are conferred upon purchasers of Railroad Corporations sold under a decree of Court.

III. The said Trustees as purchasers shall constitute and name themselves a

Railroad Corporation, with the franchises and powers aforesaid, under the laws of the State of Virginia, and the said corporation shall proceed at once (after its organization upon the basis of capital stock hereinafter set forth) to execute the following mortgages:

1. A first mortgage upon the road and fixed property of the Company between Alexandria and Gordonsville, including the Warrenton branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds, payable twenty-five years after date, with interest, at the rate of six per centum per annum, with coupons for such interest payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and coupons, secured under the first mortgage, so called, of the Orange and Alexandria Railroad Company, dated October 2, 1851; such issue to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates, and coupons, as may be surrendered to be cancelled, in exchange for the said new bonds, with all interest which may be due on said bonds and certificates up to 1st July, 1880, calculated at the rate of six per centum per annum only.

2. A second mortgage, which shall be a first lien upon the road and fixed property of the Company between Charlottesville and Lynchburg, and a second lien upon the road and fixed property of the Company between Alexandria and Gordonsville, including the Warrenton branch, and upon all its personal property, and the franchises, tolls and revenues of those roads, to secure its bonds, payable thirty years after date, with interest at the rate of six per centum per annum, with coupons for such interest, payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and coupons, secured under the second mortgage, so called, of the Orange and Alexandria Railroad Company, dated January 1, 1855, such issue to be confined in amount to the principal of all such original bonds, and the funded interest, bonds and certificates, and coupons, as may be surrendered to be cancelled in exchange for the said new bonds with all interest, which may be due on said bonds and certificates up to July 1, 1880, calculated at the rate of six per centum per annum only.

3. A third mortgage, which shall be a second lien upon the road and fixed property of the Company between Charlottesville and Lynchburg, and a third lien upon the road and fixed property of the Company between Alexandria and Gordonsville, including the Warrenton branch, and upon all its personal property, and the franchises, tolls and revenues of those roads, to secure its bonds, payable thirty-five years after date, with interest at the rate of five per centum per annum, for the first five years of the duration of said bonds, and of six per centum per annum for the remaining thirty years thereof, with coupons for such interest payable semi-annually accordingly. Such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and unpaid coupons or interest on such bonds, up to 1st of May, 1875, secured under the third mortgage, so called, of the Orange and Alexandria Railroad Company, dated 30th April, 1858, who shall, on or before the first day of January, 1880, give their assent in writing to this scheme of reorganization; and also to the Baltimore and Ohio Railroad Company for the amount of the preferred lien of the State of Virginia under that mortgage, as ascertained by the account rendered by the State at the time of the sale of its interest therein, on the 17th day of October, 1872, to-wit, the sum of \$263,405.97. Put the bonds to be issued to the Baltimore and Ohio Railroad Company, as the claimant of said amount, and of a preferred lien therefor, shall be placed upon a footing of equality with the other bonds to be issued under the third mortgage hereby provided for. Such issue to be confined in amount to the said claim of the Baltimore and Ohio Railroad Company, and the principal of all such original bonds, and the funded interest bonds and certificates, and unpaid coupons or interest as aforesaid, as may be surrendered to be cancelled in exchange for the said new bonds.

4. A fourth mortgage, which shall be a third lien upon the road and fixed property of the Company between Charlottesville and Lynchburg, and a fourth lien upon the road and fixed property of the Company between Alexandria and Gordonsville, including the Warrenton branch, and upon all of its personal property, and the franchises, tolls and revenues of those roads, to secure its bonds, payable forty years after date, with interest at the rate of three per centum per annum, for the first ten years of the duration of said bonds, and of four per centum per annum for the next ten years, and of five per centum per annum for the remaining twenty years thereof, with coupons for such interest, payable semi-annually accordingly. Such bonds to be issued to all holders of original bonds and of bonds and certificates issued to fund past interest, and unpaid coupons or interest on such bonds and certificates up to March 1st, 1875, secured under the fourth mortgage, so called, of the Orange and Alexandria Railroad Company, dated 1st December, 1860, who shall before the first day of January, 1880, give their assent in writing to this scheme of reorganization. The issue of bonds under this mortgage to be confined in amount to the principal of all original bonds, and the funded interest bonds and certificates, and unpaid coupons or interest as aforesaid, as may be surrendered, to be cancelled in exchange for the said new bonds.

5. A mortgage, which shall be a first lien upon the road and fixed property, franchises, tolls and revenues of the Company, between Manassas Junction and Harrisonburg, (including the Front Royal Branch) and a fifth lien upon all its personal property, and upon the road and fixed property, franchises, tolls and revenues of the Company, between Alexandria and Gordonsville, including the Warrenton Branch, and a fourth lien upon the road and fixed property, franchises, tolls and revenues of the Company, between Charlottesville and Lynchburg, to secure its bonds, payable forty-five years after date, with interest at the rate of five per centum per annum, with coupons for such interest payable semi-annually. Such bonds to be issued to all holders of bonds and unpaid coupons on such bonds up to January 1, 1878, secured under the first mortgage, so called, of the Orange, Alexandria and Manassas Railroad Company, dated July 1, 1867, who shall on or before the first day of January, 1880, give their assent in writing to this scheme of reorganization; and also to all holders of the bonds and coupons of the Manassas Gap Railroad Company, secured under the mortgage of that Company, dated January 1st, 1855, with all the interest which may be due on such bonds up to July 1, 1880, calculated at the rate of six per centum per annum only, with the understanding that in all cases where such bonds and coupons of the Manassas Gap Railroad Company shall be held as collateral security, the amount to be secured by new bonds shall be only the indebtedness, with six per centum interest up to July 1st, 1880, for which such bonds and coupons shall have been pledged as security, unless the amount of such indebtedness shall exceed the sum of such bonds, coupons and interest as aforesaid, and in order to secure to all holders of such bonds of the Manassas Gap Railroad Company, interest at the rate of six per centum per annum, upon the amounts of their respective claims as aforesaid, the said claims shall be capitalized in the issue of the new bonds under the mortgage provided for in this clause, so as to yield all such holders six per centum per annum, on their respective claims as aforesaid: *Provided*, however, that when said Manassas Gap Railroad bonds, coupons and interest as aforesaid shall be held as collateral security for a debt which, with interest thereon as aforesaid, is less than the amount of such bonds, coupons and interest as aforesaid, and other collaterals shall be also held for such indebtedness, all the said collaterals shall be surrendered to be cancelled together with such Manassas Gap bonds and coupons.

The issue of bonds under this mortgage to be confined in amount to the sum of all claims of holders of the Manassas Gap bonds and coupons, capitalized as hereinbefore provided, and of all such first mortgage bonds of the Orange, Alexandria and Manassas Railroad Company, and unpaid coupons as aforesaid,

as may be surrendered to be cancelled in exchange for such new bonds. The Baltimore and Ohio Railroad Company agrees to renew at the present rental, its lease of the road from Strasburg to Harrisonburg, with proper covenants for repairs by the Baltimore and Ohio Railroad Company, and the said mortgage herein provided for, shall be subsequent to said lease, and cover all interest therein. And said rental, when paid to the lessor, shall be dedicated to the payment of the coupons upon said bonds, so far as may be necessary, as they may become due.

6. A mortgage, which shall be a first lien upon the road and fixed property, franchises, tolls and revenues of the Company, between Lynchburg and Danville (including the Pittsville Branch,) to secure its bonds, payable fifty years after date, with interest at the rate of four per centum per annum, for the first eight years of the duration of said bonds, and of five per centum per annum for the remaining forty-two years thereof, with coupons for such interest, payable semi-annually accordingly. Such bonds to be issued to all holders of bonds and coupons, secured under the mortgage made by the Lynchburg and Danville Railroad Company, dated April 1st, 1871, who shall on or before the first day of January, 1880, give their assent in writing to this scheme of reorganization, and to be limited in amount to the principal of all bonds secured under the mortgage aforesaid of the Lynchburg and Danville Railroad, but to be distributed among all holders of bonds and coupons secured under said mortgage in proportion to their respective holdings thereof, whether of bonds or coupons; and in ascertaining such proportions, interest shall be allowed at the rate of six per centum per annum, upon all such holdings, up to July 1st, 1879.

IV. The capital stock of the new Company shall be constituted as follows, to-wit:

Of all interest calculated up to July 1st, 1879, which may be in arrear upon the first Orange, Alexandria and Manassas mortgage bonds, the third Orange and Alexandria mortgage bonds and State's claim under said mortgage, the fourth Orange and Alexandria mortgage bonds, which interest may not be represented in new bonds, to be issued as hereinbefore provided; and of the amount of interest in arrear on the Lynchburg and Danville mortgage bonds, calculated up to the same date, the stock therefor to be distributed in the proportions provided in the above sixth clause; and also of all second Orange, Alexandria and Manassas mortgage bonds, and Washington City, Virginia Midland and Great Southern mortgage bonds, together with all interest calculated up to the same date, which may be in arrear, upon the said two classes of bonds last mentioned, and also of the floating debt of the Company with interest on said floating debt up to the same date. And in estimating the amount of interest in arrear as aforesaid, for which capital stock is to be issued to the parties entitled to such interest, it is to be understood that wherever such interest is represented by coupons, the face of such coupons is to be allowed without interest, and where not so represented by coupons, interest is to be calculated up to the same date upon the bonds themselves, at the rate provided in said bonds, or where no rate is provided in said bonds, then at such rates as may be provided in the mortgage by which said bonds are secured. In estimating the amounts for which new bonds or stock, under this agreement, shall be issued, no compound interest, or interest upon overdue interest or coupons shall be allowed.

And it is further provided and agreed, that the capital stock of the new Company constituted as above, shall be divided into two classes, which shall be designated as first and second preferred stock, and which shall be entitled respectively to an eight per centum per annum dividend as hereinafter provided.

The First Preferred Stock shall include:

1. The interest upon the first Orange, Alexandria and Manassas mortgage bonds, accounting from January 1st, 1878, up to July 1st, 1879.

2. The interest upon the third Orange and Alexandria mortgage bonds, accounting from May 1st, 1875, up to July 1st, 1879.

3. The interest on the State's claim, so-called, under the third Orange and Alexandria mortgage, accounting from October 17th, 1872, up to July 1st, 1879.

4. One-half of the interest upon the fourth Orange and Alexandria mortgage bonds, accounting from March 1st, 1875, up to July 1st, 1879.

5. One-half of the principal of the second Orange, Alexandria and Manassas mortgage bonds, and one-half of the interest thereon, which may be in arrear or accruing, calculated up to July 1st, 1879.

6. The amount of the interest on the Lynchburg and Danville mortgage bonds, which may be in arrear or accruing, calculated up to July 1st, 1879, the stock therefor to be distributed as above provided in clause 6.

The Second Preferred Stock shall include :

1. The remaining half of the interest on the fourth Orange and Alexandria mortgage bonds, accounting from March 1st, 1875, up to July 1st, 1879.

2. The remaining half of the principal of the second Orange, Alexandria and Manassas mortgage bonds, and the remaining half of the interest on said bonds which may be in arrear or accruing, calculated up to July 1st, 1879.

3. The principal of the Washington City, Virginia Midland and Great Southern Railroad Company mortgage bonds, and the interest thereon, which may be in arrear or accruing, calculated up to July 1st, 1879.

4. The principal of the floating debt and interest thereon, calculated up to July 1st, 1879.

Of any dividend that may be declared in any one year, the first preferred stock shall first receive, not exceeding four per cent. thereon, before anything is paid to the second preferred stock ; and then the second preferred stock shall receive, not exceeding four per cent. thereon, and then the residue of any one year's dividends, shall be divided equally between the two classes of preferred stock without priority or preference, until each class shall receive the eight per cent. above provided for.

In issuing certificates for the common stock herein above authorized, the Trustees shall provide that the same shall be convertible into the respective classes of preferred stock as herein provided when the Legislature shall authorize the issue of such preferred stock, and for the purpose of giving effect to this agreement as to issuing preferred stock, the new Company shall, at the next session of the Virginia Legislature, after its organization, apply for authority to issue preferred stock as above set forth, and to modify its capital stock organization accordingly, and when such modification is authorized, then to issue to the holders of the common and preferred stock of the old Orange and Alexandria, Orange, Alexandria and Manassas, Lynchburg and Danville, and Washington City, Virginia Midland and Great Southern Railroad Companies, common stock of the new Company in the proportion of \$100 of the said common stock of the new Company to \$500 of the stock of said old companies, whether common or preferred.

The stock herein provided for shall only be issued to such parties as shall on or before the first day of January, 1880, give their assent in writing to this scheme of reorganization.

V. Interest shall not commence to run on the bonds of the new company until July 1st, 1880, so that the net revenues of the road from July 1st, 1879, to July 1st, 1880, shall be appropriated to the use of the new company, for the necessary repairs and improvement of the road and its equipment, and the trustees hereinbefore named shall be authorized to settle with and receive from the Receiver, on behalf of the new company as representing the parties assenting to this scheme of reorganization, any balance that may remain in the hands of the Receiver after the sale of the road.

VI. The new company shall agree to become the owner of the road from Charlottesville to Orange Court House proposed to be constructed by the Charlottesville and Rapidan Railroad Company, upon the terms and conditions set forth in the now existing contracts between the said last mentioned company and John S. Barbour, Receiver, provided the said road is completed on or before the 1st July, 1880, and possession thereof is given to the new company in accordance with all the covenants and stipulations in reference thereto contained in said contracts, and said above road shall be covered by and included within the first five mortgages above provided for in the order of their respective priorities.

And the said new Company shall also agree to assume the obligations of the Receiver, and shall become entitled to his rights of and under the lease of the Franklin and Pittsylvania Railroad Company, upon the terms and provisions of the contract made between said Company, and the said Receiver under the orders of the Circuit Court of Alexandria; said lease to be covered by and included within the mortgage on the road from Lynchburg to Danville hereinbefore provided for.

VII. If the trustees herein appointed shall be required by the order of the Court to make a deposit in cash at the time of their purchase, they shall be authorized to borrow said sum, as also such amounts as may be required to defray their necessary expenses in making such purchase and in the execution of their trust, and such sums so borrowed shall be repaid out of the first moneys coming into the hands of the said trustees, whether by the return of said deposit or from balances paid over to them by the Receiver or from dividends of the purchase money which may become due to any of the creditors who are parties to this agreement, and said trustees are hereby vested for the use of the new Company, with all the right and title of the parties assenting to this agreement in and to any such balances or dividends which may be for distribution under the order of the Court.

VIII. In case of any vacancy in the board of three trustees herein provided for, the remaining members of the board shall have the right to fill the same; but the remaining trustees shall be vested with all the rights and powers of the three trustees, and shall be authorized to exercise the same until such vacancy shall be filled.

IX. The trustees shall have authority, in any case in which they may deem it just and proper, to extend the period within which parties, who desire to participate in this scheme, may give their assent to the same; provided, that in no case shall such period be extended beyond January 1st, 1881.

X. The trustees shall have full charge of the business of effecting the reorganization hereinbefore provided for, and shall have authority to fix and determine the amounts of each of the new bonds to be issued under the several mortgages hereinbefore provided for, and the dates at which the coupons thereon shall be made to fall due; to fix the par value of the capital stock to be issued as aforesaid, and to provide for the issuing of proper certificates for fractional parts of such bonds and capital stock, and they shall have full power and authority to do all things proper and necessary to be done, not hereinbefore provided for, in order to complete the organization of the new Company.

The undersigned, creditors of the Washington City, Virginia Midland and Great Southern Railroad Company and holders of the claims, the nature and amount of which are set opposite their respective names, do hereby assent to the foregoing scheme of reorganization, and agree with each other to all the provisions thereof; and all signatures attached to any copy or duplicate of this agreement shall be accounted as attached to the original thereof.

The following Acts of the General Assembly relate to the
WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTH-
ERN RAILROAD COMPANY, and its Rights, Interests and
Franchises:

An Act to authorize the consolidation of the Orange, Alexandria and Manas-
sas Railroad Company and the Lynchburg and Danville Railroad Com-
pany.

[Approved January 14th, 1871.]

1. *Be it enacted by the General Assembly*, That the Orange, Alexandria and Manassas Railroad Company and the Lynchburg and Danville Railroad Company, be and they are hereby authorized to consolidate and form one Company under the name of The Virginia and North Carolina Railroad Company, upon such terms, not inconsistent with the laws regulating railway corporations, as may be agreed upon by said Companies, provided, that such consolidation shall be approved and such agreement ratified and confirmed by a majority of the stockholders of each of said Companies present or represented at any annual meeting thereof, or at a meeting of said stockholders called for the purpose, thirty days public notice of the time and place of holding the same, and the object thereof having been given, and any subscription made or which may be made by either Company to the stock of the other, before such consolidation, is hereby declared legal and valid.

2. When said consolidation is effected as aforesaid, the charter, all the rights, authorities, privileges, franchises, effects and estate of the said Companies shall pass and enure to the said consolidated Company, by virtue of this Act.

3. This Act shall be in force from its passage.

An Act to authorize The Virginia and North Carolina Railroad Company to assume and be known by the name of the Washington City, Virginia Midland and Great Southern Railroad Company.

[Approved February 4th, 1873.]

WHEREAS, in pursuance of authority conferred by an Act, approved January fourteenth, eighteen hundred and seventy-one, the Orange, Alexandria and Manassas Railroad Company, and the Lynchburg and Danville Railroad Company, have consolidated and formed one Company, under the name of the Virginia and North Carolina Railroad Company, and the consolidated Company desiring to assume another name; now, therefore,

Be it enacted by the General Assembly, That the Virginia and North Carolina Railroad Company be authorized to assume and be known by the name of the Washington City, Virginia Midland and Great Southern Railroad Company, and as such, be entitled to, and invested with, the charters, all the rights, authorities, privileges, franchises, effects, and estate of said Virginia and North Carolina Railroad Company.

This act shall be in force from its passage.

An Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to issue bonds to provide for the payment of the bonds and debts of the Orange, Alexandria and Manassas Railroad Company, and of the Lynchburg and Danville Railroad Company, and for other purposes.

[Approved February 15th, 1873.]

WHEREAS, By an Act of the General Assembly of Virginia, approved the thirty-first day of March, eighteen hundred and seventy-one, the Orange, Alexandria and Manassas Railroad Company were authorized to issue bonds of said Company to an amount not exceeding six millions of dollars, and to secure payment of principal and interest by one or more deeds of trust or mortgages on the franchises, tolls, receipts, and whole property, real and personal, of said Company; and whereas, since the passage of the above recited act, the Orange, Alexandria and Manassas Railroad Company have consolidated with the Lynchburg and Danville Railroad Company, by virtue and under the provisions of another Act of the General Assembly of Virginia, approved January the fourteenth, eighteen hundred and seventy-one, and thereby become known as the Virginia and North Carolina Railroad Company; and whereas, by a subsequent Act of the General Assembly, approved fourth day of February, eighteen hundred and seventy-three, the said Virginia and North Carolina Railroad Company were authorized to change their corporate name, and to assume the corporate name and title of the Washington City, Virginia Midland and Great Southern Railroad Company:

1. *Be it enacted by the General Assembly of Virginia*, That to enable the said Washington City, Virginia Midland and Great Southern Railroad Company to provide for the payment of the principal and interest of the bonds and other debts of the Orange, Alexandria and Manassas Railroad Company, and also of the principal and interest of the bonds and other debts of the Lynchburg and Danville Railroad Company, and to enable the said Washington City, Virginia Midland and Great Southern Railroad Company to extend its road as authorized by law, it shall be lawful for the said Washington City, Virginia Midland and Great Southern Railroad Company to issue its bonds to an amount not exceeding twenty-five thousand dollars per mile of its existing main line and branches, and of such further extension as may be authorized by law, and to secure payment of the principal and interest of said bonds hereby authorized to be issued, by executing one or more deeds of trust or mortgages on the franchises, tolls, receipts, and whole property, real and personal, of said Washington City, Virginia Midland and Great Southern Railroad Company, now owned, or which may be hereafter acquired by said Washington City, Virginia Midland and Great Southern Railroad Company, such bonds to bear interest at such rates, not exceeding that now allowed by law, as may be deemed expedient by said Washington City, Virginia Midland and Great Southern Railroad Company.

2. This Act shall be in force from its passage.

An Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to extend its railway from Alexandria to a point on the Potomac river opposite or near to or above the cities of Washington or Georgetown.

[Approved February 15th, 1873.]

1. *Be it enacted by the General Assembly*, That the Washington City, Virginia Midland and Great Southern Railroad Company be authorized to extend its railway from Alexandria, (the northern terminus thereof,) to a point on the

Potomac river opposite, or near to or above the cities of Washington or Georgetown, in the District of Columbia.

2. This Act shall be in force from the acceptance thereof by said Company.

An Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to acquire and sell lands.

[Approved February 15th, 1873.]

1. *Be it enacted by the General Assembly*, That an Act approved March sixth, eighteen hundred and seventy-one, entitled an Act to authorize the Orange, Alexandria and Manassas Railroad Company to acquire and sell lands, be amended and re-enacted so as to read as follows :

§ 1. That it shall be lawful for the Railroad Company formed by the consolidation of the Washington City, Virginia Midland and Great Southern Railroad Company to acquire by purchase, hold in fee simple and sell lands along its railway or tributary thereto, and issue bonds or certificates of stock for amount of such purchases, and execute a mortgage or trust deed on said lands, or any part thereof, to secure the debt or liability thus incurred. Said lands shall not be included in any mortgage or deed of trust executed by said Company for other purposes, nor liable for any debt incurred by said Company for other purposes, until all bonds issued under this Act have been paid; nor liable as after acquired property by operation of any of the mortgages executed by it, or either of the Companies by consolidation of which it was formed; nor shall any lien attach thereto by reason of judgments obtained against said Company, except such as may be rendered on obligations given for purchase of said lands by said Company, or said component Companies: provided, the lands thus acquired shall not exceed two hundred thousand acres, and shall not be held for longer than fifteen years, except for village lots, depots, machine shops, and other necessary purposes connected with the business of said Company.

2. This Act shall be in force from its passage.

An Act to amend and re-enact an Act entitled an Act to authorize the Washington City, Virginia Midland and Great Southern Railroad Company to acquire and sell lands, approved February 15th, 1873.

[Approved March 28th, 1873]

1. *Be it enacted by the General Assembly*, That an Act approved March the sixth, eighteen hundred and seventy-one, entitled an Act to authorize the Orange, Alexandria and Manassas Railroad Company to acquire and sell lands, be amended and re-enacted so as to read as follows :

§ 1. That it shall be lawful for the Washington City, Virginia Midland and Great Southern Railroad Company to acquire by purchase, hold in fee simple and sell lands along its railway or tributary thereto, and issue bonds or certificates of stock for amount of such purchases, and execute a mortgage or trust deed on said lands, or any part thereof to secure the debt or liability thus incurred. Said lands shall not be included in any mortgage or deed of trust executed by said Company for other purposes, nor liable for any debt incurred by said Company for other purposes, nor liable as after acquired property by operation of any of the mortgages executed by it, or either of the Companies by consolidation of which it was formed, nor shall any lien attach thereto by reason of judgments obtained against said Company (except such as may be rendered on obligations given for purchase of said lands,) or said component Companies: provided, the lands thus acquired shall not exceed two hundred

thousand acres, and shall not be held for longer than fifteen years, except for village lots, depots, machine shops, and other necessary purposes connected with the business of said Company.

2. This Act shall be in force from its passage.

An Act to authorize the purchasers of the Washington City, Virginia Midland and Great Southern Railroad Company to issue common and preferred stock for certain purposes.

[Approved March 8th, 1880.]

WHEREAS, The Circuit Court of Alexandria City has entered a decree in the case of John Graham, &c., *versus* the Washington City, Virginia Midland and Great Southern Railroad Company for the sale of its whole property and works, franchises, rights and privileges, and in contemplation of such sale an agreement has been entered into by parties representing the majority, at par value, of all claims secured and unsecured, against said Company, whereby the whole property and rights of said Company to be so sold as aforesaid, are to be purchased at such sale by Robt. T. Baldwin, Robt. Garrett and J. Wilcox Brown, Trustees for the creditors secured and unsecured, of said Company for the purpose of organizing a new Company under the provisions of law in respect thereto, with authority to such trustees, when such purchase shall have been perfected, to constitute themselves a corporation as provided by law, and to create a capital stock composed of common and preferred stock, and, as by the general law, authority to issue such preferred stock is not given and can only be conferred by the General Assembly; now, therefore, to facilitate the re-organization of such old Company by the creation of the new Company on the basis of such agreement as to the purchase of the property aforesaid.

1. *Be it enacted by the General Assembly*, That whenever a sale shall have been made of the property, works, franchises, rights and privileges of the Washington City, Virginia Midland and Great Southern Railroad Company under a decree of the Circuit Court of the city of Alexandria, and at such sale Robt. T. Baldwin, Robt. Garrett, and J. Wilcox Brown, or any other persons representing the creditors, secured and unsecured, of said Company, shall have become the purchasers of said property and rights, and as such shall have constituted and named themselves a Railroad Corporation under the laws of the State, it shall be lawful for them to create a capital stock by the issue of shares of common and preferred stock upon such basis, to such amount, of such classes, and in such proportions and for such purposes as are prescribed by the terms of the agreement entered into by the persons who authorized them to make such purchase, and such other common and preferred stock as the said new Company may, by vote of its stockholders, deem it proper to issue for the purposes of its road.

2. This Act shall be in force from its passage.

An Act to incorporate the Charlottesville and Rapidan Railroad.

[Approved February 12, 1876.]

1. *Be it enacted by the General Assembly*, That it shall be lawful to open books of subscription in the town of Charlottesville under the direction of A. R. Blakey, John Wood, Jr., W. C. U. Randolph, V. W. Southall, and R. F. Mason, or any three of them; at Orange Court House, under the direction of John M. Chapman, Thomas P. Wallace, and Alexander Daley; and at Stewardsville, under the direction of Wyatt S. Beazley, Benjamin Herndon, and Edwin Booton, or any two of them, for the purpose of receiving subscriptions to an amount not exceeding six hundred thousand dollars, in shares of

fifty dollars each, to constitute a joint capital stock for constructing a railroad from the town of Charlottesville, or some point near that town, on the Washington City, Virginia Midland and Great Southern Railroad to Orange Court House, or some point on said road between that village and Rapidan river.

2. *Be it further enacted*, That whenever one hundred thousand dollars of the amount aforesaid shall have been subscribed, the subscribers, their executors, administrators and assigns, shall be, and they are hereby, declared and constituted a body politic and corporate, under the name and style of The Charlottesville and Rapidan Railroad Company, and shall be entitled to all the privileges conferred, and subject to all the restrictions imposed by the Code of Virginia, edition 1873, and Acts amendatory thereof, so far as the same are applicable and not inconsistent with this Act.

3. It shall be lawful to receive subscriptions for construction of this road in money, labor, land or material, such as timber, stone, lumber, or other supplies usually required in construction of railroads.

4. It shall also be lawful to receive subscriptions to stock of this Company from any connecting railroad company, or from any mining or manufacturing company, which may be established to operate upon the line of this road in the State of Virginia, and interested in its construction.

5. It shall be lawful for said Company to lease its road, or any part thereof, to any railroad company chartered by the Commonwealth.

6. This act shall be in force from its passage.

An Act to amend and re-enact section one of an Act to incorporate the Charlottesville and Rapid Ann Railroad Company, approved February 12th, 1876.

[Approved February 6, 1878.]

1. *Be it enacted by the General Assembly*, That section one of an Act to incorporate the Charlottesville and Rapid Ann Railroad Company, approved February 12th, 1876, be amended and re-enacted so as to read as follows:

SEC. 1. That it shall be lawful to open books of subscription in the town of Charlottesville, under the direction of A. R. Blakey, John Wood, Jr., W. C. U. Randolph, S. V. Southall, and R. F. Mason, or any three of them; at Orange Court House, under the direction of John M. Chapman, Thomas P. Wallace, and Alexander Daley; and at Stanardsville, under the direction of Wyatt S. Beazley, Benjamin Herndon, and Edwin Booth, or any two of them, for receiving subscriptions to an amount not exceeding one million dollars, in shares of fifty dollars each, to constitute a joint capital stock for constructing a railroad from the town of Charlottesville, or some point near that town on the Washington City, Virginia Midland and Great Southern Railroad to Orange Court House, or some point on said road between that village and Rapid Ann river; and to enable said Company to construct said road, it is authorized to issue its bonds to an amount not exceeding six hundred thousand dollars, at such rates of interest, not exceeding that allowed by law, as may be deemed expedient, and to secure payment of principal and interest by one or more deeds of trust or mortgages on the franchises, tolls, receipts, and whole property, real and personal, of said Company.

2. This Act shall be in force from its passage.

An Act incorporating the Pittsylvania and Franklin Railroad Company.

[Approved March 12th, 1878.]

1. *Be it enacted by the General Assembly*, That it shall be lawful to open

books of subscription at the town of Rocky Mount, and such other places in the county of Franklin as the commissioners hereinafter named shall designate, under the direction of Benjamin Williams, James Patterson, Jno. A. Street, S. D. English, William Powell, G. W. B. Hale, G. H. T. Greer, Jesse Prunty, Thomas B. Greer, George W. Brown, James W. English, A. L. Edmundson, George E. Dennis, Peter Saunders, Benjamin B. Wehh, S. Coleman, James H. Hash, William D. Young, John T. Canada, and S. B. Willis, or any five of them, and at Bergher's Store and Ward Springs Station, in the county of Pittsylvania, under the direction of B. A. Pullen, J. T. Graves, Walter Coles, J. G. Witcher, C. Stone, F. L. W. Graves, H. C. Mease, H. W. Howard, and B. P. Watson, or any five of them, for the purpose of receiving subscriptions to an amount not exceeding one million dollars, in shares of twenty-five dollars each, to constitute a joint capital stock for constructing a railroad from some point on the main line of the Washington City, Virginia Midland and Great Southern Railroad Company, or any branch thereof in the county of Pittsylvania, to Rocky Mount (Franklin Court House,) in the county of Franklin.

2. *Be it further enacted*, That whenever ten thousand dollars of the amount aforesaid shall have been subscribed, the subscribers, their executors, administrators and assigns, shall be and they are hereby declared and constituted a body politic and corporate, under the name and style of The Franklin and Pittsylvania Railroad Company, and as such shall be entitled to all the privileges conferred, and subject to all the restrictions imposed by the Code of Virginia, edition of 1873, and acts amendatory thereof, so far as the same are applicable and not inconsistent with this Act.

3. It shall be lawful to receive subscriptions to the capital stock of this Company in money, labor or material—such as timber, stone, lumber or other supplies usually required in construction of railroads.

4. It shall also be lawful to receive subscriptions to stock of this Company from any connecting railroad company, or from any mining or manufacturing company which may be established to operate upon the line of this railroad in the State of Virginia, and interested in its construction.

5. The said Company shall have power to build branches or lateral roads not exceeding twenty miles in length, to connect with any mines, iron works or other manufactures or beds or deposits of other minerals in said counties or adjacent counties.

6. Subscriptions to the stock of said Company may be made by the county of Franklin, or any adjoining county interested in the construction of this road or its branches, except the county of Pittsylvania: provided, however, that the subscription voted by the counties shall be expended in the counties making the same, and that the subscription in each county shall not exceed two hundred thousand dollars; and the proper authorities of said counties shall cause a vote to be taken therein on the question of such county subscriptions, in accordance with the general law governing such elections, at such time as the commissioners of subscription named in the first section of this Act, or a majority of them, or the Company may ask such vote to be taken, except that in order to authorize such subscription, it shall only be necessary that three-fifths of the votes cast at such election shall be in favor of said subscription, which said three-fifths shall include a majority of the registered freeholders of the said county. Should such subscriptions be ordered, the Board of Supervisors of said county or counties shall make such subscriptions, notwithstanding that the amount so subscribed shall require the imposition of an annual tax in excess of twenty cents on the one hundred dollars, to pay the interest on the amount so subscribed, and to provide a sinking fund for the extinguishment of the principal; and to this end may issue bonds bearing a rate of interest not exceeding six per centum per annum of such denominations as said authorities may determine.

7. It shall be lawful for said Railroad Company to borrow money for the construction or repair of the road, issue bonds, and secure the same by mortgage upon its property and franchises, or otherwise.

8. It shall be lawful for said Company to lease its road, or any part thereof, to the Washington City, Virginia Midland and Great Southern Railroad Company or any other Railroad Company chartered by the Commonwealth.

9. This Act shall be in force from its passage.

An Act to authorize the Judge of the Eleventh Circuit to hold special terms of the Courts in his Circuit.

[Approved February 5th, 1880.]

1. *Be it enacted by the General Assembly*, That the Judge of the Eleventh Judicial Circuit be, and he is hereby authorized to hold, in such manner as is now prescribed, special terms of his Court in any County or City of the said Circuit when, in his opinion, it is proper that the same should be held; at any such special term any civil cause or matter at law or in chancery may be heard and determined which could have been heard and determined if the same had been a regular term.

2. This Act shall be in force from its passage, and expire on the first day of January, 1881.

An Act to authorize the purchasers of the Washington City, Virginia Midland and Great Southern Railroad Company to issue common and preferred stock for certain purposes.

[Approved March 8th, 1880.]

WHEREAS, The Circuit Court of Alexandria City has entered a decree in the case of John C. Graham, &c., *versus* the Washington City, Virginia Midland and Great Southern Railroad Company for the sale of its whole property and works, franchises, rights and privileges, and in contemplation of such sale an agreement has been entered into by parties representing the majority, at par value, of all claims secured and unsecured, against said Company, whereby the whole property and rights of said Company to be so sold as aforesaid, are to be purchased at such sale by Robt. T. Baldwin, Robt. Garrett and J. Wilcox Brown, Trustees for the creditors secured and unsecured, of said Company for the purpose of organizing a new Company under the provisions of law in respect thereto, with authority to such trustees, when said purchase shall have been perfected, to constitute themselves a corporation as provided by law, and to create a capital stock composed of common and preferred stock, and, as by the general law, authority to issue such preferred stock is not given and can only be conferred by the General Assembly; now, therefore, to facilitate the re-organization of such old Company by the creation of the new Company on the basis of such agreement as to the purchase of the property aforesaid.

1. *Be it enacted by the General Assembly*, That whenever a sale shall have been made of the property, works, franchises, rights and privileges of the Washington City, Virginia Midland and Great Southern Railroad Company under a decree of the Circuit Court of the city of Alexandria, and at such sale Robt. T. Baldwin, Robt. Garrett, and J. Wilcox Brown, or any other persons representing the creditors, secured and unsecured, of said Company, shall have become the purchasers of said property and rights, and as such shall have constituted and named themselves a Railroad Corporation under the laws of the State, it shall be lawful for them to create a capital stock by the issue of shares of common and preferred stock upon such basis, to such amount, of such classes, and in such proportions and for such purposes as are prescribed by the terms of the agreement entered into by the persons who authorized them to make such purchase, and such other common and preferred stock as the said new Company may, by vote of its stockholders, deem it proper to issue for the purposes of its road.

2. This Act shall be in force from its passage.

The following extract from chapter sixty-one of the Code of 1873 are applicable to the sale and purchase of the property of this Company :

* * * * *

Sale of Company's property under a Deed of Trust.

44. If a sale be made under a deed of trust or mortgage, executed by a company on all its works and property, and there be a conveyance pursuant thereto, such sale and conveyance shall pass to the purchaser at the sale, not only the works and property of the company as they were at the time of making the deed of trust or mortgage, but any works which the company may, after that time and before the sale, have constructed, and all other property of which it may be possessed at the time of the sale, other than debts due to it. Upon such conveyance to the purchaser, the said company shall *ipso facto* be dissolved. And the said purchaser shall forthwith be a corporation, by any name which may be set forth in the said conveyance, or in any writing signed by him and recorded in the Court in which the conveyance shall be recorded.

45. The corporation created by or in consequence of such sale and conveyance shall succeed to all such franchises, rights and privileges, and perform all such duties, as would have been had or should have been performed, by the first company but for such sale and conveyance; save only that the corporation so created shall not be entitled to the debts due to the first company, and shall not be liable for any debts of or claims against the said first company, which may not be expressly assumed in the contract of purchase, and that the whole profits of the business done by such corporation shall belong to the said purchaser and his assigns. His interest in the corporation shall be personal estate, and he or his assigns may create so many shares of stock therein as he or they may think proper, not exceeding together the amount of stock in the first company at the time of the sale, and assign the same in a book to be kept for that purpose. The said shares shall thereupon be on the footing of shares in joint stock companies generally, except only that the first meeting of the stockholders shall be held on such day and at such place as shall be fixed by the said purchaser, of which notice shall be published for two weeks in a newspaper.

46. The debts due to and by, and claims against, the said first company mentioned in the preceding section, shall be subject to the provisions contained in the *thirtieth* section of the fifty-sixth chapter, and the said company, notwithstanding its dissolution aforesaid, shall, as to said debts and claims, have the power and perform the duties prescribed by that section.

Sales under decree of Court; Board of Public Works authorized to purchase for State; notice of sale.

47. A sale of the works and property of a company, made under decree of a Court having competent jurisdiction, shall be held by the purchaser thereof, subject to all the provisions of the *three preceding sections*, so far as the same may be applicable to such sale.

* * * * *

FURTHER EXTRACT FROM THE DECREE OF THE CIRCUIT COURT
OF ALEXANDRIA IN THE CAUSE OF GRAHAM VS. WASH-
INGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN
RAILROAD COMPANY, ENTERED ON 13TH OF FEBRUARY, 1880.

On page 87 of this volume will be found an extract from this decree commencing at section 39th and including all the other sections to the end.

The extract should have been made to have also included sections 35th, 36th, 37th and 38th. They are here inserted as follows :

XXXV. The report of Commissioner Shepperd, filed on the 3rd of January, 1880, and his supplemental report filed during this term, and all former reports made by said Commissioner, not inconsistent therewith, are hereby approved and confirmed except so far as the same have been modified and amended by this and other decrees in this cause and except where the consideration of certain questions raised thereby have been by order of Court or consent of parties specially contined, and all exceptions to said reports, which by this and other decrees in this cause have not been sustained are hereby overruled, except where the consideration thereof has been specially by order of Court or consent of parties continued.

XXXVI. The allegations made in the bill of complaint, as to the creation and organization of the defendant corporation and the execution of the liens thereon, the default in the payments as set forth therein, the insolvency of the defendant corporation and all other allegations in said bill not altered by decrees in this cause, are true and are hereby so established.

XXXVII. The Court declares and decrees that the rights, property and franchises of the defendant corporation which are subject to the liens in whole or in part of the respective mortgages hereinafterwards specifically set forth and with which the Court now proposes to deal for the purpose of enforcing said liens by a sale as an entirety, are all the works and property of the defendant corporation and the companies consolidated into it, as they were at the time of its making the deed of trust to D. H. Miller, Robert Garrett and J. W. Burke, dated May 1st, 1873, and as described in said deed, and all works, property, rights and franchises, which the said Company or the Receiver in this cause may after that time and before the sale hereinafterwards decreed have acquired or constructed, and all other property of which it or said Receiver may be possessed at the time of the sale other than debts due to it, and except such real estate as may have been hereinbefore otherwise disposed of. This shall also include the lease dated on the 20th day of August, 1873, between said Company and the Baltimore and Ohio Railroad Company, whereby said

Baltimore and Ohio Railroad Company leased of the defendant corporation its road from Strasburg to Harrisonburg, and shall further include the lease made under an order of this Court by the Receiver on the 19th day of September, 1878, for and on behalf of the defendant corporation with the Franklin and Pittsylvania Railroad Company, whereby said Franklin and Pittsylvania Railroad Company leased its road from Pittsville in the county of Pittsylvania to Rocky Mount, in the county of Franklin, to the Receiver in this cause on behalf of the defendant corporation, and also the benefit of a contract of lease made under an order of this Court by the Receiver on the 6th day of June, 1878, and modifications subsequently made, for and on behalf of the defendant corporation with the Charlottesville and Rapidan Railroad Company, whereby said Receiver for and in behalf of the defendant corporation leased from said Charlottesville and Rapidan Railroad Company its road from the town of Charlottesville, in the county of Albemarle, to a point at or near Orange Courthouse, in the county of Orange, and any and all other leases and contracts made by said Receiver for and on behalf of the defendant corporation whether made by order of Court or not, and it further includes the Pittsville Narrow Gauge Branch in the county of Pittsylvania, and all rights, privileges, property and works thereto pertaining.

XXXVIII. The Court adopting so much of the report of Commissioner Shepperd as refers thereto declares and decrees that the rule laid down by said report, page 894, for ascertaining the relative or proportionate value of each of said divisions with regard to the whole of said property is correct, and upon a sale of the works and property, rights and franchises of said defendant corporation as an entirety is the rule which shall be adopted in apportioning the proceeds of such sale amongst the liens on the respective divisions of said road.

OPINION OF THE COURT OF APPEALS OF VIRGINIA, DELIVERED
AT STAUNTON BY JUDGE JOSEPH CHRISTIAN, IN THE SUIT
OF FREDERICK E. GIBERT vs. THE WASHINGTON CITY,
VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD
COMPANY—DELIVERED OCTOBER 7TH, 1880.

This case is before us on appeal from a decree of the Circuit Court of the city of Alexandria. The case under ordinary circumstances would have been heard by this Court sitting at Richmond; it properly belonged there, but on motion of Appellees, in order to have a speedy decision of the case, it was transferred to the Court here. The Court recognizing the importance, both to the bondholders and all other claimants as well as the great public interests involved, in putting an end to controversies arising with respect to this, one of the most important railroad lines in the State, has carefully considered the numerous questions presented by the record and has arrived at its conclusions at the earliest practicable period consistent with the pressing duties of the Court here, only taking time enough to examine carefully the large and voluminous record (covering over a thousand pages of printed matter) and will now proceed to give its conclusions upon the whole case as it comes before us.

Before proceeding, however, to discuss the questions involved, it is necessary and proper to give a brief history of the proceedings in the cause.

The original bill was filed by John C. Graham, who was the holder of second and third Mortgage Bonds of the Orange and Alexandria Railroad Company. Default having been made in the payment of both principal and interest of his bonds which were then due, he brought his suit on the seventh of June, 1876, in the Circuit Court of Alexandria, in behalf of himself and all other creditors of the "Washington City, Virginia Midland and Great Southern Railroad Company," which Company, by virtue of the powers vested in it, had assumed the indebtedness and taken the assets of the Orange and Alexandria Railroad Company.

The bill set forth the Plaintiff's debts, the deed securing them, and all other debts of trust on the property of said Company, or any division thereof.

Copies of these deeds were filed with the Plaintiff's bill.

The bill set forth in detail how the said defendant corporation was created, and of what its property consisted. It further set forth the consolidation of the Orange and Alexandria Railroad Company with the Manassas Gap Railroad Company, as constituting the Orange and Alexandria and Manassas Railroad Company, and the subsequent consolidation of the Orange, Alexandria and Manassas Railroad Company with the Lynchburg and Danville Railroad Company, which constituted, under the acts of consolidation, the said Washington City, Virginia Midland and Great Southern Railroad Company.

The bill further alleged the insolvency of said Company, and that default

had been made under each of said mortgage-deeds, filed with the bill, both as to principal and interest.

The bill referring to the several mortgage-deeds, alleges that according to the terms of said deeds, the beneficiaries thereunder are entitled to foreclose the same, and cause sale of said property to be made, for the purpose of satisfying said debts, but that owing to the complicated and conflicting nature of the claims and liens existing against said Company and its property, it was impossible for the trustees in said deeds properly to administer the trusts imposed upon them by said deeds, until the conflicting claims and liens have been adjusted as to their amounts and priorities, by the intervention and aid of a Court of Equity.

The bill further alleges that no sale can be properly or judiciously made until such an account has been ordered and taken as will ascertain the exact status of such liens, their priorities and the property to which the same will attach.

The bill further charges that there were numerous outstanding judgments and executions against said Company, and that levies were being made upon property which should properly be applied to the debts secured by the deeds of trust on said road and its divisions.

The prayer of the bill was, for an injunction to restrain the said Company from further operating or controlling the said road, and that a Receiver should be appointed by the Court, to take charge of the assets of the said Company, under the direction of the Court.

The bill further prayed for certain accounts to be taken, and for a sale of the property, upon such terms and in such manner as may best promote the welfare of all parties interested therein, and for a proper distribution of the proceeds of such sale, and for general relief.

After the filing of said bill by the Plaintiff, Graham, many parties, creditors by bonds and otherwise, filed their petitions in the same cause, asserting their several claims against the defendant corporation, and uniting with the original Plaintiff in the prayer for the appointment of a Receiver, and the sale of the property.

And injunction was awarded as prayed for, and John S. Barbour, Esq., was appointed Receiver of the road. A decree was entered, defining his power as Receiver. An inventory was ordered of the property of the defendant corporation, and the Receiver directed to account monthly before a Commissioner of the Court. At the November term, 1876, the bill was taken for confessed as to all the defendants, and a general account was ordered, according to the prayer of the bill.

"First. An account showing of what property real and personal, rights and franchises, the said defendant corporation was seized and possessed."

"Second. An account of all liens of every kind, whether created by deed, judgment or otherwise, resting upon said property or franchises, or any part thereof, how the same was created and how evidenced, and upon what portions of said property the said liens respectively rest, the amount, order and priorities of the debts secured or evidenced by said liens, when the said debts were or will be due, and up to what date interest has been paid thereon."

"Third. What debts are due by said Company other than those secured by said liens, the amount thereof, how evidenced, and to whom due. This account to show specifically as far as possible the consideration of said debts, classifying and reporting separately; 1st. The amounts due by way of wages, salaries or fees to the laborers, servants, agents and employees of said Company prior to June 1st, 1876, showing which of said amounts are now held by the laborers, servants, agents or employees who performed the services for which said debts were contracted, and which are held by the assignees of such persons, and as to the debts so held by assignees, what consideration was paid

by said assignees therefor. 2d. The amount due for supplies furnished said Company prior to said 1st day of June, 1876, and to whom said sums are due."

"Fourth. An account showing whether any, and if any, what contract of lease has been heretofore made between the said defendant company and the Baltimore and Ohio Railroad Company, whereby any part of the property, rights or franchises of said defendant company have been placed in the possession of said Baltimore and Ohio Railroad Company, what the terms of said lease, what amount is due thereon, how the rent reserved thereunder has been heretofore paid—filing with his report under this order a copy of said lease and any papers connected therewith."

"Fifth. An account showing, as far as practicable, the net revenues of each of the divisions of the road of the said defendant company, conveyed respectively in the different deeds of trust, to wit: The divisions lying between the city of Alexandria and the city of Lynchburg, between the city of Lynchburg and the city of Danville, and between the town of Manassas and the town of Harrisonburg, charging each division with the cost of running and keeping the same in repair, the interest on such liens as exist thereon, and its proportionate part of the general expenses of said road, and crediting it with the receipts thereon, and its proportionate part of the receipts of said road from through freight and travel. The account to commence on first day of December, 1876. And the said Commissioner is further ordered to make a further statement showing a like division of receipts and expenditures applicable to said several divisions of said road as far as the same is practicable for the period of time between the date of the appointment of said Receiver and the 1st of December, 1876."

Under this order for accounts, as above set forth, Commissioner Shepperd filed an elaborate report, with accompanying depositions and papers, covering hundreds of pages of the printed record. It is not necessary to refer in detail at this point to said report, but so much of it will be noticed hereafter as affects in any wise the questions we have to determine.

On the 24th September, 1879, the appellant, Frederick E. Gibert, filed his petition and for the first time became a party to this suit.

That petition in substance alleged that he was the owner of second and third mortgage bonds of the Orange and Alexandria Railroad Company, to the amount of \$60,000, specifying the numbers and denominations of said bonds so held by him. He alleged that there was a combination among certain of the creditors of the defendant corporation in this suit, for the sale and purchase of the property of said Company, upon which his bonds were a lien, and which combination, if carried to a successful termination, would work great wrong and injury to the petitioner and prove most oppressive to him. He filed with his said petition a paper showing the terms and conditions of said combination, and styled "A scheme for reorganization of the Washington City, Virginia Midland and Great Southern Railroad Company," which he prayed to be read as part of his petition.

He complains that by said scheme it was proposed to issue to the Baltimore and Ohio Railroad Company, bonds to the amount of \$263,405.97 to be secured by a mortgage equal in dignity with the lien of petitioner's bonds and thereby greatly lessening and depreciating the value of his mortgage bonds.

Upon this petition he was admitted a party plaintiff to this suit, by a decree entered on the 27th of September, 1879. By that decree there were certain further directions to Commissioner Shepperd to make further enquiries, and there was also a confirmation of the report of Receiver Barbour, approving the agreements made with the "Charlottesville and Rapidan Railroad Company," which will be noticed in another part of this opinion.

On the 13th of February, 1880, the Circuit Court entered an elaborate de-

cree in which it passed upon the various claims reported by Commissioner Shepperd, and upon the various liens upon the different divisions of said Railroad and their priorities. That decree contained the following provisions, which are all that it is now necessary to refer to, to wit:—"It appearing that the property of the Defendant Corporation liable to said liens and subject to sale as hereinbefore set forth cannot be otherwise sold to advantage and without prejudice to the interests of the several liens and the beneficiaries thereunder, the Court doth adjudge, order and decree that the rights, franchises, property and works of the defendant corporation as specifically set forth in the 37th section of this decree, be sold as an entirety free and discharged of and from the liens and encumbrances of the said several deeds of trust and judgments hereinbefore found and recited and any and all other liens thereon, and when the sale herein ordered shall have been made and confirmed by this Court, all claims and equities of redemption of the several lien holders in the order of their subordination and of the defendant company or of any of the companies consolidated into it, shall be forever determined and barred; and as the defendant corporation has this day filed in the papers in this cause an express waiver in writing of a day for payment and confessed its inability to pay the amount of principal and interest for which it is now in default, the said sale shall be made without further delay and without granting any such day for payment."

"And the Court doth adjudge, order and decree that John S. Barbour, who is appointed Commissioner for that purpose, do make the sale provided for in the last section, and do sell the rights, privileges, property and works of the defendant corporation as set forth in the 37th section of this decree—as subject to sale for the satisfaction of said liens hereinbefore enumerated in conformity to the directions hereinafter contained.

"Such sale shall be made by the Commissioner at public auction, at some convenient place in the city of Alexandria, in the State of Virginia, to be designated by him. Notice of the time, place and terms thereof shall be given by an advertisement which shall be published before such sale at least once a week for sixty days" in certain newspapers therein designated. The Baltimore and Ohio Railroad Company, which is the holder of all the debts secured, under what is known as the "Gold Mortgage," and the defendant corporation by counsel agreeing that such shall be the time and character of said advertisement. "The terms upon which said Commissioner shall sell said property shall be for cash as to a sum of money equal to the principal and interest of all the bonds secured by deeds of trust on said property or any parts thereof except those secured by the deed of trust of the defendant corporation, dated on the 1st of May, 1873, in which D. H. Miller, Robt Garrett and Jno. W. Burke are trustees, and for a further amount of cash equal to the past due interest on the debt secured by that deed—as to a sum equal to the principal of the debt which has been heretofore ascertained to be due under said deed on such credit as will meet the amount of said debt at maturity, taking care that as to such deferred payment provision be made for the purchaser to so pay interest on the purchase money in installments that the interest so to be paid by him shall meet the coupons for interest yet to fall due on said principal: as to the residue of the purchase money, on a credit of one, two and three years, with interest from date of sale. For the deferred payment as above provided, the Commissioner shall take the obligations of the purchaser and return them with his report of sale, when the Court will direct how the payment of same shall be secured, by some satisfactory lien on the premises sold. Of the cash which it is herein provided shall be required on the sale of said property, \$200,000 shall be paid to the Commissioner within five days after said sale, and the residue shall be paid by the purchaser upon the confirmation of said sale in such manner as the Court in the decree of confirmation may direct."

The decree further provided that the Commissioner of sale shall enter into bond in the penalty of \$300,000 with security to be approved by the Clerk of

the Court conditioned for the faithful performance of his duties as such Commissioner. ~~§ 3344~~

It was from this decree that upon the petition of the appellant Gibert, an appeal was awarded by one of the Judges of this Court. In this petition for appeal there are *seventeen* assignments of error, which will now be noticed *seriatim*.

First error assigned.

"That the Orange and Alexandria Railroad Company being in arrears of interest upon its four mortgages in or about the years 1865-7, funded the coupons for past due interest and issued to the holders in their place bonds for the amounts due thereon respectively. These 'funded interest bonds' amount to many hundreds of thousands of dollars. The master stated the amount of such securities, and reported them as liens under the respective mortgages, and the Court confirmed his report and so decreed. Your petitioner assigns such action of the Court as erroneous."

It was urged in argument here that when the holder of the coupons surrendered them and accepted bonds in their stead, he consented to a *novation of the contract*. That he chose to receive an instrument payable at a different date from the one originally his, and that the legal effect of the transaction was an absolute payment and discharge of the coupons.

The Court is of opinion that this assignment of error is not well taken. In the first place there is no evidence in the record that the coupons were *surrendered* by the holders when they accepted the funded interest bonds. We cannot presume in the absence of proof, that such surrender, contrary to all usage in such matters was made at the time that the funded interest bonds were accepted, but, if the coupons had been surrendered and the funded interest bonds taken in lieu of them, the legal effect would not have been to discharge the lien of the mortgages.

The mortgages secured the interest, which was the *debt*, of which the coupons were evidence merely. The mere change of the evidences of this debt could not destroy the lien which had been given for its security. According to all the decisions there must be the clearest proof of an intention on the part of those who took the funded interest bonds to release the lien of the mortgages. They cannot be deprived of the benefit of their liens by simply accepting another security for the same debt. The acceptance, by them, of the funded interest bonds in place of the coupons,—even if they were surrendered—was not an extinguishment of the debt. It was but the acceptance of another security for the same debt. It cannot, therefore, be considered as a novation of the contract, or an extinguishment and discharge of the debt evidenced by the coupons: the *debt* remains the same, but the security for its payment only is changed. See *Watts vs. Kinney*, 3d Leigh, 295; *Yancy vs. Mauck*, 15th Gratt., 300; *Meade vs. Grigsby*, 26th Gratt., 612; *Smith vs. Blackburn*, 31st Gratt., 291; and the recent case, not yet reported, of *Coles vs. Withers*, August Virginia Law Journal, page 470. In the last named case Judge Staples reviewing the cases upon the subject says "so long as the debt exist, the Courts will never presume the chief security taken for its payment has been surrendered without satisfaction, unless upon the clearest and most convincing testimony." The Virginia cases already cited sustain this position, and the authorities elsewhere sustain it. The rule laid down in 1st Hil-liard on mortgages (a very high authority) is that nothing short of payment, or *express* release, will have that effect. The Court is therefore of opinion that the first assignment of error is not well taken.

Second assignment of error.

"That the master in making up his statement of liens, calculated and allowed interest on all over-due coupons from the date of their maturity, placing the amount of said coupons in the column of *principal*. None of the mortgages under which these bonds were issued speak of coupon bonds."

The Court is of opinion that this assignment of error is not well taken. It will be seen from the record (page 583) that the Court decided that six per cent interest only should be allowed upon the funded interest bonds, and Commissioner Shepperd reformed his report accordingly (see page 900 of the record), no interest whatever being allowed in that statement upon the "funded bonds and certificates," and six per centum per annum only upon the bonds and certificates themselves. So much of this objection as relates to the allowance of a higher rate of interest than that borne by the original bonds is founded therefore on a mistake as to the facts.

While it is true that the mortgages do not in terms speak of the bonds as coupon bonds, there is nothing in any one of them inconsistent with the idea that they were to be issued in that form. On the contrary each of them (the mortgages) provides for and secures the payment of the interest at fixed periods (semi-annually) down to the time of the maturity of the bonds; and then for the payment of the principal. The most appropriate, if not the universal mode in which the interest thus to become due and payable on Railroad Bonds is evidenced, is by a coupon for each installment attached to the bond upon which the interest represented by it is to accrue. Bonds with coupons attached were accordingly issued under each and all of the mortgages without objection from any quarter; and without question raised by any party, until after the institution of this suit, as to the priority of issuing bonds in that form. Indeed the very bonds which the appellant himself holds are of this character which he now objects to for the first time. It may be therefore confidently asserted that the issue of coupon bonds was in conformity with the provisions of the mortgages and fully authorized by them; and this being true, there can be no doubt that the coupons carried interest from the time that the Company was in default in paying them and that such interest was secured by the lien of the mortgages. For authority for this proposition we refer to *Arents vs. Commonwealth*, 18th Gratt., 776; *Aurora City vs. West*, 7th Wall, 105; *Town of Genoa vs. Woodruff*, 2d Otto, 502.

We are therefore of opinion that the second assignment of error, is not well taken.

Third assignment of error.

"That the Circuit Court authorized and empowered the Receiver to lay out \$10,000 to aid in constructing a short branch road connecting with the Lynchburg and Danville Division, said branch road being built and owned by another corporation."

It may be first observed that there is an error of fact in this assignment of error. The branch road does not belong to another corporation. The record shows that every foot of that road belongs to the Midland Railroad Company, and it is specially named in the final order of sale as a part of the assets to be sold.

The decree complained of in this assignment of error was entered on the 21st of November, 1877.

It appears that at that time there were no parties objecting to it, but it was entered, as shown by the very terms of the decree, upon the suggestion to the Court that the interest of all the parties to the suit would be promoted by an expenditure of a portion of the receipts of said road in the hands of the Receiver in aiding in the construction of a short branch therefrom, extending from a point upon the Lynchburg and Danville Division, between Sycamore and Ward Spring Stations, westward to the Iron Ore Banks near Pig River; and the Court being of opinion that such extension of the road would promote the interest of all the parties concerned, directed said Receiver, out of such funds as may be in his hands to be administered, to expend in the construction of said branch road a sum not to exceed \$10,000 in amount, provided said Receiver shall be satisfied upon a further examination of the matter that such outlay will be judicious; and provided further that he shall not expend said sum or any

part thereof until he shall be satisfied that such expenditure will insure the construction of the whole of said branch road to said ore banks.

The record shows that this work was completed in a few months at a cost to the Receiver of less than \$8,000, the residue of the cost being borne by persons interested in the ore banks. The receipts from this stem of the road paid back, as the record shows, all it cost in a little over six months, and it has ever since been a most valuable feeder to the main line, paying nearly \$200 per day thereon account of the large amount of iron ore transported over said branch road.

Without deciding the question as to the power of the Court as an original proposition, to make such expenditure, we think it is plain that this action of the Court empowering its Receiver to make this expenditure of \$10,000. was eminently advantageous, as the sequel showed, in adding largely to the receipts of the road and promoting the interests of all parties interested in its welfare.

No complaint was made from any quarter for more than two years after this wise and judicious action of the Court. It is too late now to make any such objections. The road has already been built, and is in greatly successful operation. The money has already been expended. Who is to pay it back if the appropriation was wrong? The Court or the Receiver? Neither of course can be held liable. The expenditure of \$10,000 brought large receipts into the treasury of the road, and manifestly promoted the interests of all the bondholders, lien-holders and other creditors against the road.

We are, therefore, of opinion that the third assignment of error is not well taken and must be overruled.

Fourth assignment of error.

"That the Court authorized and empowered the said Receiver to lease two other lines of railway, the property of two other corporations, viz: "The Charlottesville and Rapidan Railroad" and the "Franklin and Pittsylvania Railroad." The first named railroad, to wit: "The Charlottesville and Rapidan Railroad was chartered by the General Assembly by an act passed February 12th," 1876. This charter was amended February 6th, 1878. By the original act it was to extend, under its charter, from Charlottesville to Orange Courthouse. By the amended act, power was given it to lease its road to any other company, and to borrow money and make a mortgage to secure it. It is manifest, and a mere reference to these acts makes it apparent, that this road was incorporated by the Legislature, for the purpose of meeting a great want of the Virginia Midland Company, for before that time the trains of that company were compelled to run over the track of the Chesapeake and Ohio Company, for which privilege the company had to pay an annual rent of \$30,000. And although it paid so large a rental for the use of the road between these two points, its use was subordinated to the control of the Chesapeake and Ohio Company, and that too without the privilege of doing any local business between Gordonsville and Charlottesville or any intermediate points; and besides that, was excluded from North bound business at Charlottesville or South bound at Gordonsville. It is therefore plain that in order to the full development and welfare of the Midland Line its track should be continuous and under its own management. This new company in June, 1878, made a proposition to Receiver Barbour which is fully set forth in his report (on page 526 of the record.) The substance of the proposition was that the new company would lease its road to the Midland Company for a period of thirty-four years for the annual rent of \$36,000, and at the end of that time all the property, works and franchises of said road should be "used, occupied and possessed by the said Midland Road forever."

The Court is of opinion that the Circuit Court, under its discretionary power, had the authority to direct its Receiver to accept the proposition made by the Charlottesville and Rapidan Company, and to confirm his action in the premises. It was of manifest advantage to all the lien-holders and all other creditors interested in the Midland Road that this missing link between Charlottesville and

Gordonsville should be supplied, thus forming a continuity of line under the control and management of the Midland Company.

The advantage on all hands is very apparent when it is remembered that for a sum but little over the annual rent it was already paying to another company under the great disadvantages of being subordinated to its control, it thereby secured, not only the control of a continuous line, but at the end of thirty-four years the whole property, works and franchises of the new company would belong in fee simple to the Midland Company. The advantages of this arrangement being so apparent and not objected to by any parties before the Court—not even by the appellant here—the only question is, did the Court have the power, in the exercise of a sound discretion, to authorize and confirm this act of its Receiver. We think it undoubtedly had that power and that it was its duty so to exercise it. A Court of Equity having in charge the mortgaged property of a railroad company, is authorized to do all acts that may be necessary, within its corporate power, to preserve the property, give to it additional value, not only for the benefit of the lien creditors, but also for the benefit of the company, whose possession the Court has displaced by the appointment of a Receiver, and by taking into its own hands the property, rights, works and franchises of the company.

Any act, it would seem, necessary for the protection and preservation of the property, is a legitimate and proper act, and whatever is manifestly appropriate to such preservation and protection, or to the enhancement of the value of the property, not in excess of the powers of the Corporation, will always be upheld and enforced by the Courts; 4th Otto, 734, (*Gerome vs. McCarter*), *Wallace vs. Loomis* 7th Otto, 162.

The Receiver, in making this contract, and the Court, in authorizing and approving it, were but carrying out the powers granted by the Legislature on the 28th March, 1871, (Acts '70-'71, page 293) when it authorized the Orange, Alexandria and Manassas Railroad Company "to construct a railway from Orange Courthouse or Gordonsville, or some point on the line of their road between these places, to some suitable point on their road between Charlottesville and Lynchburg, or on the Chesapeake and Ohio Railroad so as to connect the eastern portion of their road with the southwestern extension from Charlottesville to Lynchburg."

Now as to the lease of the Franklin and Pittsylvania Railroad, which is the second branch of the fourth assignment of error, that road was chartered by the Legislature on March 13th, 1878, (see Acts '78-'79, page 203) for the purpose of constructing a Narrow Gauge Railway from Rocky Mount, in Franklin county, to Pittsville in Pittsylvania county, and the same act gave to this Company the power to lease the road when built to the "Midland Road." The Legislature by its charter, having given the power to lease the road, when built, to the "Midland Road," the intelligent Receiver, who had been President of the "Midland Road" and knew well all its interests, recommended to the Court, by a report filed in May 1878, (see page 518 of the record) that the "Midland Road" should lease, as it was authorized to do under the Act of Assembly, the Franklin and Pittsylvania Railroad. It would extend this opinion to too great length to quote the report of the Receiver, to show the reasons which he urged upon the Court to authorize such lease. It is sufficient to say that no man can read that elaborate report without coming to the conclusion that it was very advantageous to the interests of the "Midland Road" that this lease should be authorized and confirmed by the Court.

The report of the Receiver shows that this short line of road—a distance of about thirty miles—would be a most valuable tributary to the "Midland Railroad," that it penetrated a rich and productive country and especially gave access to valuable banks of iron ore necessary to the manufacture of Bessemer steel. The terms of the lease were most advantageous to the Midland Company, because it would receive a road built and equipped by the Franklin and Pittsylvania Railroad Company at its own cost, and then leased for thirty-four

years to the "Midland Road," the lessee paying only \$7,000 per annum therefor. The record shows that this lease, so made by the Receiver and confirmed by the Court, was of great and manifest advantage to all interested in the prosperity and welfare and successful operation of the Midland Railroad.

All that has been heretofore said, and the authorities referred to to sustain what was said, with reference to the lease of the Charlottesville and Rapidan Railroad, apply with full force to the lease made and confirmed of the Franklin and Pittsylvania Railroad.

The Court is, therefore, of opinion that the fourth assignment of error is not well taken.

Fifth assignment of error.

"That the lease made by the Defendant Corporation to the Baltimore and Ohio Railroad Company, of that portion of its road lying between Harrisonburg and Strasburg was recognized by the Court as valid, when there has up to this time never been any legislative authority for such lease."

It is sufficient to say that the lease, of which complaint is here made, was entered into by the "Virginia Midland" Road, on the 20th August, 1873, three years before the suit was brought. The record shows that the Court below did not make this lease.

When it took charge of the property this lease was an accomplished fact, and certainly, as the record shows, a valuable one for the Company. The Court did not, *ex mero motu*, set aside this lease. No one objected to it, it was already done, and was manifestly an advantage to all parties interested in the "Midland Road."

The first objection found to this arrangement is made by the appellant who was already a bondholder materially benefitted thereby, and who by implication ratified the same.

The Court is, therefore, of opinion that no question having been raised by any of the parties interested in the pleadings in this cause, and the lease having been made before the Court took possession of the subject, and it being manifestly beneficial to all parties concerned, the said fifth assignment of error is not well taken.

Sixth assignment of error.

"The action of the Court in requiring the purchaser of the Defendant Corporation's franchises and property to take them subject to the leases hereinbefore recited."

It is sufficient to say that this question has already been disposed of in what has already been said respecting the fourth assignment of error, the Court below and this Court being of opinion that said leases were of manifest advantage and promoted the welfare and general condition of the "Midland Company."

Seventh assignment of error.

"That by section 44 of the decree of sale (page 1016 of the record) only sixty days notice of the time and place of sale was required to be given, and that to be published in each of the cities of Alexandria and Lynchburg in the State of Virginia and in Baltimore and New York."

It is true that what is known as the "Gold Mortgage" required that there should be ninety days notice, and that publication should also be made in Philadelphia, Boston and London; the decree of the Court below explains this change in the terms and time of notice by declaring in section 44, that the Baltimore and Ohio Railroad Company, which is the holder of all the debts secured under what is known as the "Gold Mortgage," and the defendant corporation *agreeing by counsel* that such should be the time and character of the advertisement.

This assignment of error is, therefore, not well taken.

Eighth assignment of error.

"That the sale of the Lynchburg and Danville Division was not directed to be made in Lynchburg as provided in the Lynchburg and Danville Mortgage."

This involves the question of a sale as an entirety, which will be considered hereafter.

Ninth assignment of error.

"That there should not have been any decree for sale at all, but that the revenues of the main line should have been applied to the extinguishment, principal and interest of the four Orange and Alexandria mortgages in the order of their priority."

It is sufficient to say that such a scheme would have been utterly impracticable. The record shows that the net revenues of the whole road were \$370,000, and the total amount of the first four Orange and Alexandria mortgages on the 1st of January, 1880, was \$4,813,678.24. The average rate of interest on this amount at seven per centum would be for one year \$290,075.59. A simple calculation would show that it would take something like fifty years to pay off the principal and interest of the first four mortgages. Of course such a scheme was totally impracticable.

Tenth assignment of error.

"That the mortgages of the Orange and Alexandria Railroad Company constituted liens upon the Manassas Gap Railroad prior in dignity to the Orange, Alexandria and Manassas Railroad and all subsequent mortgages."

The Court below was of opinion that the said first mortgage of the Orange, Alexandria and Manassas Railroad Company takes priority as to so much of the road of the defendant corporation as lies between Manassas and Harrisonburg, the said portion of said road not being *after-acquired property* of the Orange and Alexandria Railroad Company, which passed under its then existing mortgages, upon its consolidation with the Manassas Gap Railroad Company under the Act of Assembly authorizing such consolidation.

We are of opinion that the Circuit Court was right in this conclusion. The record shows that there was a company known as the Orange and Alexandria Railroad Company, which worked and owned a road from Alexandria to Lynchburg; and there was another known as the Manassas Gap Railroad Company, which worked and owned a road from Manassas to Harrisonburg. In 1867, by virtue of an Act of Assembly empowering them to do so, the said companies consolidated, upon terms mutually agreed upon and the consolidated company was known as the Orange, Alexandria and Manassas Railroad Company, and as such and by virtue of an Act of the Legislature, made a mortgage upon the joint property. Under these circumstances, neither of these companies acquired the other, and neither road is "*after-acquired property*" to the other. They were co-ordinate and by an Act of Assembly were united as a new company, with the power to make a deed of trust on the joint property. The term "*after-acquired property*" applies to such necessary accretions as are requisite to keep up the road, such as new rails, cross-ties, depots, rolling stock, machinery and, it may be, real estate acquired for the legitimate purposes of the corporation. But it surely cannot cover a different road belonging to another corporation which either by purchase or legislative enactment becomes united with or consolidated into it. Nor can it cover any property, right or franchise which, according to its charter at the date of the use of the term "*after-acquired property*," it had no right to hold, assert or exercise.

These principles are well settled by the decision of this Court in the case of Alexandria and Fredericksburg Company vs. Graham, 31st Gratt. 769, which is conclusive on this point.

The Court is, therefore, of opinion that the tenth assignment of error is not well taken.

The *tenth, twelfth, fourteenth and sixteenth assignments of error* may be treated together.

They all in different forms raise the question as to whether the Circuit Court erred in directing a sale of the whole road as an entirety. Or in other words, whether, under the terms of the various mortgage deeds it was not the duty of the Court to decree a sale of the different divisional roads consolidated into the Washington City, Virginia Midland and Great Southern Railroad Company.

This consolidated road is composed of three divisions: 1st, the Orange and Alexandria Railroad, which, under its original charter, had authority to build a railroad from Alexandria to Gordonsville. 2d, the division extending from Charlottesville to Lynchburg, and a third division, the construction of a road from Lynchburg to Danville.

These three divisional railroads were consolidated into one by an Act of the General Assembly, and the consolidated company thus created was thereafter called and known as the Washington City, Virginia Midland and Great Southern Railroad Company, thus forming a continuous line of railroad from Alexandria to Danville. The question presented to the Court below was whether to sell this line of railroad by sections and divisions in accordance with the mortgages on the several divisions, or to sell the whole as an entirety and to distribute the proceeds after sale among the lien holders of the separate divisions according to equitable principles of distribution.

It being apparent that there must be a sale to meet the principal and interest overdue, and no party and no party in interest disputing the necessity for a sale, but all agreeing that such sale must be made, the question before the Court below was, as to how such sale should be effected.

The Court therefore very properly directed an enquiry as to the best mode of bringing the property into the market, and accordingly directed its Commissioner to enquire whether the interest of all the parties interested will best be subserved by a sale of the road as an entirety or by a sale of the divisions upon which the several mortgages respectively rest.

The Commissioner considered the subject carefully and elaborately, and examined distinguished railroad men, and came to a very decided conclusion that it is to the interest of all parties concerned to have a sale of the road as an entirety, and stated in his report that it would hardly be practicable to sell the road in divisions as there were so many interests in common between the respective divisions (see record page 894.)

Upon the return of this report, the Court decreed that "the premises, rights, franchises, works and property of the defendant corporation cannot be sold in parcels without loss and prejudice to all parties interested therein, and that the nature and situation of the property is such that the interest of all parties requires that it shall be sold as an entirety."

The Court is of opinion that this conclusion of the Circuit Court was plainly right, and that it it was manifestly in the interest of all the parties interested, including the appellant.

In the opinion of this Court, it would, on the contrary, have been plainly erroneous if the Court below had decreed a sale by sections or parcels, or divisions of this line of railroad.

The value of a railroad consists generally in its length, continuity and connections and the business which it can accomplish.

Its value is not to be estimated by its rolling stock and cars and depots and real estate acquired, but its great value is in the length and continuity of the line and the connections which it forms between different points of trade and commerce.

The great value of this road is that it extends across the State from tidewater nearly to the boundary of the southern line of Virginia, at Danville.

Taken together as a whole, with all its divisions consolidated, and its collateral feeders, it becomes one of the most important railroad lines of the State. Manifestly its great value depends upon its length of line and continuity and connections. If cut up into parcels, and sold by divisions, it would lose its great value as a continuous line of road. If thus sold, the lien holders on the different divisions would not realize the same amount as if sold as an entirety. It was argued that to sell the road as an entirety would be in violation of the contract of mortgage liens upon the separate divisions. The plain answer to this proposition is, that a sale of all the different divisions at the same time carries out effectually the contract to sell upon default each separate division. And the fact that the particular separate division on which the mortgage rests, is sold at the same time and together with other divisions of the road, is in no manner a violation of the contract of the mortgage.

But in the decree of the Court below ample justice is done to all the lien creditors of the different divisions of this railroad. The fund, after sale, is to be apportioned according to the earnings of the different divisions of this railroad upon equitable principles, reported by the Commissioner, after examination of experts familiar with the subject. And the result is that the lien holders of the different divisions will get in the distribution, the proportion to which they are entitled, which is certainly more favorable to them than a sale of the road in parcels and divisions. Indeed it is manifest that such a sale would not only be injurious to other parties interested, but would give to them (the mortgages on divisions of said road) a larger per centum of their debts than if the sale was directed to be made in parcels and by divisions of the road.

After a careful consideration of the report of the Commissioner, and the evidences returned therewith, the Court is of opinion that it is to the manifest interest of all parties interested that the sale should be made of the said railroad as an entirety, and that the Circuit Court was right in decreeing such sale, and that such sale will violate none of the contract rights of the mortgages.

There are only two remaining questions to be considered, as set forth in the petition for appeal, which will now be briefly noticed. One arises upon the report of the Commissioner, in which it is insisted that interest upon interest upon interest was reported by the Commissioner and confirmed by the Court; and the other remaining question is, as to the priority of the liens of certain executions upon judgments obtained against the railroad for labor of employees and damages for destruction of property, &c.

As to the first question, it may be remarked that the record shows that there was no exception to the Commissioner's report in this respect.

The report returned covered hundreds of pages and multifarious subjects. It was the duty of the parties objecting to this part of the report to put their fingers on the point, and call it specially to the attention of the Court. This was not done, and it is not surprising that the Court should have overlooked, amid such a mass of different questions submitted, this unimportant question of the rate of interest charged by the Commissioner. We do not mean to pass upon this question and to say in this opinion whether the interest charged by the Commissioner was correctly charged or not. It is sufficient to say that if there was error in this charge of interest (upon which we express no opinion) the Court may hereafter correct it when it comes to distribute the fund. Certainly, if erroneous, it cannot interfere with the great question in the case, as to whether the sale of the entire railroad should be confirmed as ordered by the Court. It will be time enough when the fund comes to be administered by the Court for the Court to correct their error, if error it be.

And now as to the question whether the executions issued upon judgments obtained against the Company, the Court does not now feel called upon to express any opinion, especially as these questions are involved in appeals taken

in this same case and now pending at Richmond. All these questions may be, and will be, properly decided when the fund arising from the sale of the railroad comes into the hands of the Court for distribution, and will in the meantime be decided by this Court in the several causes now pending in this Court at Richmond.

Neither of these questions, (to wit: the question of interest upon interest and the question of priority of executions over the liens of the deeds of trust), whether the decree of the said Circuit Court is erroneous or not in these respects, can at all interfere with the power of the Court to make sale of the property *as an entirety*. The amounts involved are comparatively insignificant, and even if erroneously decreed, cannot effect the great question in the case, as to the sale of the property as an entirety.

These questions will be postponed to the time when the distribution of the fund becomes necessary. There is one other question not presented in the petition of appeal, but very earnestly argued at the bar here, and that is, as to the proper parties. It is insisted by the learned counsel for the appellant that the trustees in the several mortgage deeds being dead, the legal title was outstanding and that there was no one before the Court to represent that legal title.

With respect to this argument, it is sufficient to remark, that on the death of the trustee, Lamar, the legal title was in abeyance, *that would not defeat the trust* nor prevent the jurisdiction of the Court from attaching, in the absence of a representative being in existence, no such representative being in existence. Indeed it would be a potent reason for the Court to proceed, and take upon itself the execution of the trust, on the principle, that a Court of equity will never suffer a trust to fail, for want of a trustee. If, however, the legal title is not in abeyance, then upon the death of Lamar it either devolved by operation of the statute (Code 1873, chapter 174, section 9,) on Lamar's personal representative or else it resulted to the old companies, and passed under the consolidation acts to the new company, and in either case such title was represented by parties before the Court. So that in any view to be taken all necessary parties were before the Court below.

That Court having possession of the property, works, rights and franchises of the company, will have no difficulty in conveying the mere legal title to the purchaser whenever it becomes necessary and proper.

Upon the whole case the Court is of opinion that there is no error in the decree appealed, and that the same so far as it affects the questions presented by the record and petition for appeal before us must be affirmed.

A copy—Teste,

GEO. K. TAYLOR, C. C.

REPORT OF JOHN S. BARBOUR, COMMISSIONER OF SALE, FILED DECEMBER
20TH, 1880.

JOHN C. GRAHAM,

vs.

W. C., V. M. & G. S. R. R. Co.)

Report of Commissioner John S. Barbour.

Hon. James Keith, Judge of the Circuit Court of the City of Alexandria:

The undersigned, a Commissioner appointed by a decree of your Honor's Court, to make sale of the rights, privileges, property and works of the Washington City, Virginia Midland and Great Southern Railroad Company, as set out in said decree, respectfully reports:

That having advertised time, place and terms of sale as prescribed by said decree, as will appear by copies of the advertisement herewith filed, marked A, and asked to be considered a part of this report, he proceeded to sell, by way of public auction, to the highest bidder, at 12 M. on the 20th day of December, 1880, in front of the Market Building, on Royal street, in the City of Alexandria, the whole property described in said advertisement. At such sale, Messrs. Robert T. Baldwin, J. Wilcox Brown and Robert Garrett, styling themselves Trustees of the Associated Bondholders and creditors, became the purchasers of the property aforesaid, at the price of five million and six hundred thousand dollars (\$5,600,000,) upon the terms prescribed by the decree.

A memorandum in writing, signed by your Commissioner and the said purchasers, marked B, and evidencing said sale, is returned herewith; and the said purchasers have complied with the terms of the sale.

Respectfully submitted.

JOHN S. BARBOUR,
Commissioner.

Dec. 20th, 1880.

[*Exhibit B, with Commissioner Barbour's Report, filed December 20, 1880.*]

VIRGINIA MIDLAND RAILROAD FOR SALE AT PUBLIC AUCTION.

By virtue of and in obedience to a decree rendered by the Circuit Court for the city of Alexandria, in the chancery cause of John C. Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company and others, I shall, in front of the Market Building, on Royal street, in the city of Alexandria, in the State of Virginia, at twelve (12) o'clock M., on Monday, the twentieth day of December, 1880, sell at public auction, to the highest bidder, the following described property:

The entire line of Railroad known as the Washington City, Virginia Midland and Great Southern Railroad lying between the city of Alexandria and the city of Danville, and from the town of Manassas, in the county of Prince William, on the aforesaid main line, to the town of Harrisonburg, in the county of Rockingham, together with all the branches thereof as they now exist, with all appurtenances and equipments, rights, privileges, franchises, properties, real and personal, and works, to the said railroad and branches respectively belonging, or in any wise as pertaining, including the roadway and tracks, rails and road-bed, side tracks, bridges, viaducts, trestles, fences, stations, depots, machine shops, and all other buildings and structures, docks and wharves, sand and gravel pits and deposits of materials, and all other things belonging to, or

used or designed to be used for or in connection with the said railroad or branch railroads respectively, together with all locomotives and tenders, freight and passenger cars, and all other cars and all other rolling stock or equipment whatsoever, machinery, tools and all materials for the use of said railroad or any of its branches, and all other personal property thereunto belonging, including all property and things whatsoever of any such nature or description as is above mentioned. The said line of railway and branches extends a total distance of 346 miles.

The purchaser of said road and property above described will also be substituted to the rights and assume the responsibilities of said defendant company under a contract between said company and the Baltimore and Ohio Railroad Company, dated on the 20th day of August, 1873, whereby the said Baltimore and Ohio Railroad Company leases from said defendant company so much of the said road as lies between Strasburg and Harrisonburg, and so much of said road as lies between said points will be sold subject to said lease.

The said purchaser will further take said road and other property subject to the contracts made under orders of the Circuit Court of the city of Alexandria by the Receiver in said suit with the Charlottesville and Rapidan Railroad Company and the Franklin and Pittsylvania Railroad Company—and subject to all other contracts of the Receiver in regard to said property, whether made under order of the Court or not, and will assume all his liabilities thereunder. Should the purchaser not comply with the terms of sale, there will be a resale at his cost and risk.

Terms—The terms upon which said Commissioner shall sell said property as set forth in the said decree are: Cash as to a sum of money equal to the principal and interest of all the bonds secured by deed of trust on said property or any parts thereof, except those secured by the deed of trust of the defendant corporation, dated on the 1st of May, 1873, in which D.H. Miller, Robt. Garrett and Jno. W. Burke are trustees, and for a further amount of cash equal to the past due interest on the debt secured by that deed—as to a sum equal to the principal of the debt which has been heretofore ascertained to be due under said deed, on such credit as will meet the amount of said debt at maturity, taking care that as to such deferred payment provision be made for the purchaser to so pay interest on the purchase money in installments that the interest so to be paid by him shall meet the coupons for interest yet to fall due on said principal: as to the residue of the purchase money, on a credit of one, two and three years, with interest from date of sale.

For the deferred payment as above provided, the Commissioner shall take the obligations of the purchaser and return them with his report of sale, when the Court will direct how the payment of the same shall be secured by some satisfactory lien on the premises sold.

Of the cash, which it is herein provided shall be required on the sale of said property, two hundred thousand dollars (\$200,000) shall be paid to the Commissioner within five days after said sale, and the residue shall be paid by the purchaser upon the confirmation of said sale in such manner as the Court in the decree of confirmation may direct."

JOHN S. BARBOUR,
Commissioner of Sale.

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In pursuance with the above advertisement, and in obedience to the decree therein named, I did, on Monday, December 20, 1880, offer the property named in said advertisement and decree at public auction, at the time and place of sale named therein.

At such sale the said property was knocked down to Robert T. Baldwin, J. Wilcox Brown and Robert Garrett, Trustees, for the sum of five millions and six hundred thousand dollars (\$5,600,000,) who were the highest bidders therefor; and this is to certify the same.

JOHN S. BARBOUR,
Commissioner.

December 20, 1880.

The undersigned, the purchasers named above, acknowledge that they became the purchasers of the property set forth in the above advertisement, for the sum of five millions and six hundred thousand dollars, on the terms designated therein.

ROBERT T. BALDWIN, J. WILLCOX BROWN, ROBERT GARRETT, Per JOHN K. COWEN, Att'y.	} Trustees for the Associated Bond- holders and Cred- itors.
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A copy—Teste:

MORTON MARVE, Clerk.

Exhibit "A" referred to in the foregoing report of Commissioner Barbour is omitted as it only contains several copies of the advertisement with certificates of its publication in the Alexandria Gazette, New York World, Baltimore Sun, and Lynchburg Virginian.

SECOND REPORT OF COMMISSIONER JOHN S. BARBOUR, FILED DECEMBER 30TH, 1880.

GRAHAM

va. W. C., VA. M. & G. S. R. R. Co.	} In the Circuit Court for the city of Alex- andria.
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Hon. James Keith, Judge of the Circuit Court for the City of Alexandria:

Your special commissioner, John S. Barbour, appointed to make sale of the property, works and franchises of the defendant corporation, respectfully reports that since the sale, the report of which he has already made, he has taken measures to ascertain what amount of each class of bonds are held by Robert T. Baldwin, J. Willcox Brown and Robert Garrett, styling themselves the Trustees of the associated bondholders and creditors, who were the purchasers at said sale. And your Commissioner shows to the Court that Commissioner H. Shepperd, in connection with the Secretary and Auditor of the Receiver, made an examination of the bonds on deposit in the Safe Deposit and Trust Company of Baltimore City, the authorized depository of the aforesaid purchasers, and which bonds are held for said purchasers and subject to their control. And your Commissioner has also had a further examination made by W. A. Wisong, the Secretary and Treasurer of said Safe Deposit and Trust Company, and your Commissioner files herewith the affidavit of Commissioner H. Shepperd, also that of said Wisong, from which it will appear that the said purchasers hold the amount of bonds of each class set forth in said affidavits.

Your Commissioner shows that said purchasers proffer said bonds and interest thereon as part of the purchase money to the extent to which the same would be entitled to the proceeds of said sale, and the said purchasers tender the balance of the purchase money (other than the \$200,000 cash payment already received by your Commissioner) amounting to \$232,066.61 in cash, and your Commissioner recommends this mode of paying said purchase money. As the bonds and interest thereon aforesaid are entitled to \$5,167,933.39 of the proceeds of said sale and said sum with the cash payment of \$200,000 aforesaid, and the amount of cash tendered as aforesaid equals the sum of \$5,600,000.00, the full amount of said purchase money, as will appear to the Court by the following statement:

FIRST MORTGAGE ORANGE AND ALEXANDRIA BONDS.

Total amount principal and interest to Jan. 1, 1881.....	\$608,280 80
Amount in hands of purchasers, principal and interest to Jan. 1st, 1881.....	537,364 90
Leaving outstanding in hands of other holders to be paid in money.....	\$70,915 90

SECOND MORTGAGE ORANGE AND ALEXANDRIA BONDS.

Total amount principal and interest to January 1st, 1881	\$1,910,757 65
Amount in hands of purchasers, principal and interest to January 1st, 1881	1,772,045 60
Leaving outstanding in other hands to be paid in money	\$138,712 05

THIRD MORTGAGE ORANGE AND ALEXANDRIA BONDS.

Total amount principal and interest to January 1st, 1881	\$1,163,393 00
Amount to be paid pro rata to this mortgage.....	\$1,021,479 12
This gives a dividend of 87.425 per centum.	
The purchasers hold of this mortgage, principal and interest to January 1st, 1881.....	\$1,012,680 91
In hands of other holders principal and interest to January 1st, 1881.....	150,717 09
	<u>\$1,163,398 00</u>

Hence a dividend of 87.425 per cent will give a dividend to the purchasers of.....	\$886,336 23
To other holders of.....	136,142 84
	<u>\$1,021,479 12</u>

MANASSAS GAP BONDS.

Total amount principal and interest to January 1st, 1881.....	\$84,042 95
In hands of purchasers interest to January 1st, 1881, Outstanding belonging to other holders to be paid in money.....	7,955 23
	<u>\$84,042 05</u>

FIRST ORANGE, ALEXANDRIA AND MANASSAS BONDS.

Total amount principal and interest to January 1st, 1881.....	\$2,022,990 62
Amount in hands of purchasers principal and interest to January 1st, 1881.....	1,915,123 00
In the hands of other persons.....	107,862 62
To this mortgage there is to be allotted \$1,469,246 54, which will be a dividend of 72.62 per centum, which will give a dividend to the bonds held by the purchasers.....	
To the bonds held by others and to be paid in money.....	78,340 54
Total	<u>\$1,469,246 54</u>

THE LYNCHBURG AND DANVILLE BONDS.

Total amount principal and interest to January 1st, 1881.....	\$1,836,985 98
All of this mortgage is held by the purchasers.	
To this mortgage is allotted \$506,192.94, which is a dividend of 27.555 per centum on said bonds.	

Hence the purchasers may discharge their obligations by paying in money—

On account of 1st mortgage Orange and Alexandria.....	\$ 70,915 90
" " " 2d " " "	138,712 05
" " " 3d " " "	136,142 84
" " " Manassas Gap.....	7,955 23
" " " 1st Orange, Alexandria and Manassas.....	78,340 59
Total in money.....	\$432,066 61

IN BONDS.

1st Orange and Alexandria.....	\$ 537,364 90
2d " " "	1,772,045 60
3d " " "	885,336 28
Manassas Gap.....	76,087 72
1st Orange, Alexandria and Manassas.....	1,390,905 95
Lynchburg and Danville.....	506,192 94
Total purchase money.....	\$5,600,000 00

Respectfully submitted,

December 29th, 1880,

JOHN S. BARBOUR,
Commissioner.

	PRINCIPAL.	INT. JAN. 1, 1881.	TOTAL.
1st O. & A. Mortgages.....	\$452,270 00	\$85,094 90	\$537,364 90
2d O. & A. "	1,429,195 00	342,850 60	1,772,045 60
3d O. & A. "	721,952 50	290,728 41	1,012,680 91
4th O. & A. "	904,194 50	379,754 33	1,283,948 83
1st O., A. & M.	1,540,162 50	374,965 50	1,915,128 00
2d O., A. & M.	191,295 00	92,260 00	283,555 00
Old Manassas.....	68,767 50	7,320 22	76,087 72
W. C., Va. M. & G. S.....	1,115,635 55	647,770 21	1,763,405 76
Lynchburg and Danville....	1,307,732 08	529,233 90	1,836,965 98
			10,471,202 70

COMMISSIONER'S OFFICE. }
ALEXANDRIA, VA., DEC. 29TH, 1880. }

I hereby certify that the foregoing statement is made from the basis of the affidavit of the undersigned, and of W. A. Wisong, Secretary of the Safe Deposit and Trust Company of Baltimore, and represents correctly the aggregate amount of each mortgage stated above as of the 1st January, 1881, and under the control of the purchasers at the recent sale of the property of the defendant corporation in this suit.

Attention is called to the slight discrepancy in the above statement in the Lynchburg and Danville mortgage from that given by said affiants.

The difference is caused from the fact that the affiants speak of bonds while your Commissioner in his report of liens only reported the debt due to John S. Barbour, as the amount due on the \$5,000 bonds held as collateral for said debt.

Given under my hand, as Commissioner in Chancery of the Circuit Court of Alexandria City, this the 29th December, 1880.

H. SHEPPERD.

STATE OF MARYLAND—CITY OF BALTIMORE, ss.

I hereby certify that on this twenty-eighth day of December, in the year 1880, before the subscriber, a Notary Public for the State of Maryland, in and for the City of Baltimore aforesaid, duly appointed and commissioned by the Governor of said State, personally appeared William A. Wisong, to me known, and being sworn in due form of law, made oath and deposes and says as follows: That he is the Secretary and Treasurer of the Safe Deposit and Trust Company of Baltimore City, that said Trust Company is the authorized depository of Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees of the bondholders and creditors of the Washington City, Virginia Midland and Great Southern Railroad Company, and that as such custodian he has received prior to Wednesday the twenty-second day of December instant, and now holds for the purposes of said trust, and subject to the control of said Trustees, according to the provisions of the scheme of reorganization of said Company as agreed upon by the depositors of said bonds and said securities; the said affiant hereunto affixes a schedule marked (A) showing the amount, class and character of such bonds and securities. The said affiant further makes oath that since said Wednesday the twenty-second day of December instant, he has received and now holds as such custodian for the uses and purposes of said trust and said trustees, under the provisions of the said scheme, certain other bonds and securities of said Railroad Company, and he has prepared and hereunto annexes a schedule marked (B) showing the amount, class and character of such bonds and securities.

In testimony whereof, I have hereunto set my hand and affixed my official seal, on the day and in the year first above written.

W. A. WISONG.

Subscribed and sworn to before me the day and date first above mentioned.

DAN'L GIRAUD WRIGHT,
Notary Public.

[SEAL]

[Schedule "A" referred to by Wm. A. Wisong in his deposition hereto annexed.]

AMOUNT RECEIVED BY SAFE DEPOSIT AND TRUST COMPANY UP TO DECEMBER
29TH, 1880.

	ORIGINAL.	FUNDED.	CERTIF'S.	COUPONS.
O. & A. 1st.....	\$348,500 00	\$91,500 00	\$12,320 00	
do. 2d.....	1,079,500 00	326,500 00	23,193 00	
do. 3d.....	515,880 00	184,700 00	21,372 50	\$3,000 00
do. 4th.....	665,700 00	144,000 00	4,348 00	90,232 32
O., A. & M. 1st...	1,539,900 00			577 50
do. 2d...	207,000 00			1,295 00
W. C. V. M. &c...	1,080,324 26			35,311 34
Lynch. & Dan....	1,309,000 00			150,885 00
Manassas Gap....	34,000 00			
	\$6,779,804 26	\$746,700 00	\$61,235 50	\$281,301 16

W. A. WISONG,
Sec'y and Treas. Safe Deposit Trust Co. of Baltimore.

Schedule "B" referred to by Wm. A. Wising in his depositions hereto annexed.

AMOUNTS RECEIVED BY SAFE DEPOSIT AND TRUST COMPANY SINCE THE EXAMINATION BY THE COMMISSIONER, DECEMBER 22D, 1880.

	ORIGINAL.	FUNDED.	CERTIF'S.	COUPONS.
O. & A. 1st.....	\$20,000 00	\$3,000 00	\$1,445 00	
do. 2d.....	12,500 00	500 00		
do. 3d.....	19,500 00			
do. 4th.....	1,300 00			
O., A. & M. 1st.....	8,700 00			\$245 00
	\$62,000 00	\$3,500 00	\$1,445 00	\$245 00

W. A. WISING,
Sec'y and Treas. Safe Deposit and Trust Co. of Baltimore.

LIST OF BONDS ON DEPOSIT AT THE SAFE DEPOSIT AND TRUST COMPANY OF BALTIMORE, ON THE 22D DECEMBER, 1880.

1st Orange and Alexandria mortgage.....	\$427,825 00
2d " " ".....	1,416,195 00
3d " " ".....	702,452 50
4th " " ".....	902,894 52
1st O., A. and Manassas ".....	1,531,462 50
2d " " ".....	191,295 00
Old Manassas, counted with a view to the debts for which the bonds were held as collateral.....	68,765 50
W. C., Va. M. &c. &c., mortgage.....	1,115,635 55
Lynchburg and Danville.....	1,309,000 00

Personally appeared before me Morton Marye, Clerk of the Circuit Court of the City of Alexandria, Commissioner H. Shepperd, Commissioner in Chancery of the Circuit Court of Alexandria City, and made oath that the foregoing statement correctly represents the amount of bonds secured under the respective mortgages enumerated on deposit at the Safe Deposit and Trust Company of Baltimore, the authorized depository of the Trustees for the associated bondholders and creditors of the Virginia Midland &c., Railroad Company and under the control of said Trustees, the purchasers of the property of the defendant company, in the Chancery suit of Graham vs. Washington City, Virginia Midland and Great Southern Railroad Company, pending in the Circuit Court of Alexandria City, as of the 22d of December present, as ascertained by him upon a personal inspection and count of the said bonds.

Given under my hand, this 29th day of December, 1880.

MORTON MARYE, Clerk.

A Copy—Teste:

MORTON MARYE, Clerk.

DECREE OF DECEMBER 30TH, 1880.

VIRGINIA:—CIRCUIT COURT OF THE CITY OF ALEXANDRIA, }
December 30, 1880. }

GRAHAM,

vs.

WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT
SOUTHERN RAILROAD COMPANY, ET ALB.

In Chancery.

The Court having considered the petition of F. E. Gilbert, filed on yesterday, for a re-hearing of this cause, and the motion that time be granted him to take evidence in regard to the allegations thereof, doth dismiss said petition and overrule said motion, being of the opinion that there is no equity in the same.

And thereupon this cause came on to be further heard on the papers formerly read and the petition of H. S. W. Barker, filed at this term; the reports of Commissioner Shepperd of the transactions of Receiver John S. Barbour for the months of September, October and November, 1880, to which there is no exception; the report of John S. Barbour of his transactions as Receiver, filed December 29th, 1880, to which there is no exception; the report of John S. Barbour, the Commissioner heretofore appointed to sell the property, works and franchises of the defendant corporation of his sale thereof; the exceptions thereto taken by Sarah G. Smith, executrix of Francis L. Smith, and by F. E. Gilbert; and the motion of F. E. Gilbert that time be granted him to take evidence in support of said exceptions; and the report of Commissioner Barbour this day filed in regard to the residue of the purchase money which the purchasers of said property, works and franchises of the defendant corporation, under the terms of said sale, are now ready to pay, and the exhibits therewith filed; and the exception thereto this day filed by F. E. Gilbert and Sarah G. Smith, executrix of Francis L. Smith, and was argued by counsel.

On consideration whereof, the Court doth approve and confirm the said reports of Commissioner Shepperd of the transactions of Receiver Barbour for the months of September, October and November, and the report of John S. Barbour, Receiver, of his transactions as such, to both of which there is no exception.

And the Court overruling the said exceptions of Sarah G. Smith, executrix of F. L. Smith, and of Fred'k E. Gilbert to said report of sale of Commissioner Barbour, and the motion of said Gilbert for further time to take evidence in the matters contained in said exceptions; and also the exceptions of F. E. Gilbert and Sarah G. Smith, executrix of F. L. Smith to the second Report of Commissioner John S. Barbour, this day filed, doth approve and confirm the said report of said Commissioner John S. Barbour of the sale made by him on the 20th of December, 1880, to Robert T. Baldwin, J. Wilcox Brown and Robert Garrett, styling themselves Trustees of the Associated Bondholders and Creditors, for the sum of five millions and six hundred thousand dollars.

And the Court approving and confirming the said second report of Commissioner John S. Barbour, this day filed, doth ascertain that according to the principle heretofore established by the decrees in this cause for ascertaining the ratio of distribution of the proceeds of the sale of said property, the said sum of five millions six hundred thousand dollars should be distributed to the several divisions thereof as follows:

To the division between Alexandria and Lynchburg the sum of.....	\$3,540,517 57
To the division between Lynchburg and Danville.....	506,192 94
To the division between Manassas and Harrisonburg.....	1,553,289 49
Total.....	\$5,600,000 00

And the Court doth further ascertain that the sum of \$3,540,517 57, allotted to the division between Alexandria and Lynchburg shall be distributed as follows :

To pay the principal and interest of the first mortgage Orange and Alexandria Railroad in full to wit :

Principal and interest to January 1st, 1880, (page 900 printed record).....	\$576,818 00	
Interest on \$524,380 00 to January 1st, 1881, from January 1st, 1880.....	31,462 80	\$608,280 80
To pay the principal and interest of the second mortgage Orange and Alexandria Railroad in full, to wit: principal and interest to January 1st, 1880.....	1,816,019 75	
Interest on \$1,578,965 00 to January 1st, 1881, from January 1st, 1880.....	91,737 90	1,910,757 65
Leaving to be distributed <i>pro rata</i> to the third mortgage Orange and Alexandria Railroad bonds.....		1,921,479 12
Total for the Alexandria and Lynchburg divi- sion.....		\$3,540,517 57

The Court further ascertains the third mortgage Orange and Alexandria Railroad bonds to be as follows for the purpose of participating in said fund :

Principal and interest to January 1st, 1881, as established heretofore (page 900 printed record).....	\$1,107,350 00	
Interest on \$600,000 from January 1st, 1880, to January 1st, 1881, at 8 per cent.....	48,000 00	
Interest on \$217,800 at 6 per cent. same time..	13,068 00	\$1,168,398 00

And the Court doth further ascertain that the sum of \$506,192 94 allotted to the division between Lynchburg and Danville shall be distributed *pro rata* to the holders of the Lynchburg and Danville Railroad mortgage, which as of January 1st, 1881, is as follows :

Principal and interest to January 1st, 1880, as heretofore as- certained.....	\$1,758,522 06	
Interest on \$1,307,732 04 one year to January 1st, 1881.....	78,463 92	
Total January 1st, 1881.....		\$1,836,985 98

And the Court doth further ascertain that the sum of \$1,553,289 49 allotted to the division between Manassas and Harrisonburg shall be distributed as follows :

First to pay the Manassas Gap mortgage bonds in full to wit:		
Principal and interest to January 1st, 1880, as heretofore as- certained.....	\$79,600 85	
Interest on \$74,035 00 from January 1st 1880, to January 1st, 1881.....	4,442 10	
Total to be paid in full.....		\$84,042 95

Leaving the sum. of \$1,468,246 54 to be distributed *pro rata* amongst the holders of the Orange, Alexandria and Manassas Railroad bonds, which for the purpose of such distribution is ascertained to be as follows :

Principal and interest to January 1st, 1880, as heretofore ascertained (page 901 printed record).....	\$1,891,871 87
Amount of coupons due January 1st, 1881.....	115,500 00
Interest on \$231,437.50 at 6 per cent. one year.....	13,886 25
Interest on \$57,750 00 at 6 per cent. six months.....	1,732 50

Total of this mortgage to January 1st, 1881..... \$2,022,990 62

And it appearing to the satisfaction of the Court that the said purchasers of the said property, works and franchises of the defendant corporation are the holders of said first mortgage bonds of the Orange and Alexandria Railroad Company, amounting principal and interest as of January 1st, 1881, to the sum of \$537,364.90; and of the second mortgage Orange and Alexandria Railroad bonds principal and interest as of January 1st, 1881, amounting to \$1,772,045 60; of the third mortgage Orange and Alexandria Railroad bonds, principal and interest as of January 1st, 1881, amounting to \$1,012,680.91; of the Lynchburg and Danville Railroad mortgage bonds amounting principal and interest as of January 1st, 1881, to \$1,836,985 98; and of the bonds of the Manassas Gap Railroad Company, amounting principal and interest on the 1st day of January 1881, to the sum of \$76,087.72; and of the first mortgage Orange, Alexandria and Manassas Railroad bonds amounting principal and interest as of January 1st, 1881, to \$1,915,123.00.

The Court is of opinion that the said purchasers in discharging their obligations for the purchase money for the property, works and franchises of the defendant corporation may, to the extent such bonds are entitled to share in the distribution of the proceeds of such sale as hereinbefore set forth, surrender the same for cancellation or endorsement of credit, as the case may be, in lieu of payment in money.

And it further appears to the satisfaction of the Court, that the said purchasers for the purpose of meeting the purchase money due from them, are entitled upon surrendering the same for cancellation to a credit thereon to the full amount of principal and interest to January 1st, 1881, of the first and second mortgage Orange and Alexandria, and the Manassas Gap bonds held by them, to their *pro rata* dividend upon the principal and interest of the third mortgage Orange and Alexandria bonds, the Lynchburg and Danville mortgage bonds, and the first mortgage Orange, Alexandria and Manassas bonds, which respective credits amount to the following sums:

Total principal and interest of 1st Orange and Alexandria bonds held by them.....	\$537,364 90
Total principal and interest of 2d mortgage Orange and Alexandria bonds held by them.....	1,772,045 60
Total principal and interest of Manassas Gap bonds held by them	76,087 72
Dividend on total principal and interest of 3d Orange and Alexandria bonds held by them.....	835,336 28
Dividend on total principal and interest of the Lynchburg and Danville bonds held by them.....	506,192 94
Dividend on total principal and interest of 1st Orange, Alexandria and Manassas bonds held by them.....	1,390,905 95

Total..... \$5,167,933 39

which will leave it necessary for said purchasers to make good their bid of \$5,600,000.00 to pay in money the sum of four hundred and thirty-two thousand and sixty-six dollars and sixty-one cents, (\$432,066.61.)

And the Court now proceeding to provide for the payment by said purchasers of the residue of the purchase money of said property after crediting them with the sum of two hundred thousand dollars, (\$200,000.) reported as having been heretofore paid by them to said John S. Barbour, the Commission-

ner, who made the said sale, doth adjudge, order and decree that said Robert T. Baldwin, J. Willcox Brown and Robert Garrett, styling themselves Trustees of the associated bondholders and creditors, do forthwith pay to said John S. Barbour, Commissioner, the further sum of two hundred and thirty-two thousand sixty-six dollars and sixty-one cents, (\$232,066.61); and that they do further deliver to the said Commissioner all of the first and second mortgage Orange and Alexandria Railroad bonds and coupons, and the Manassas Gap mortgage bonds and coupons held by them as heretofore declared, and upon their receipt it shall be the duty of said Commissioner Barbour to cancel the same—and that they do further produce to the said Commissioner the total amount of the third mortgage Orange and Alexandria Railroad bonds and coupons heretofore enumerated as held by them, and to acknowledge a credit thereon of \$885,336.28, which amounts to a dividend on the principal and interest thereof of 87.425 per centum; and do further produce to the said Commissioner the total amount of the Lynchburg and Danville Railroad mortgage bonds and coupons heretofore enumerated as held by them, and to acknowledge a credit thereon of \$506,192.94, which amounts to a dividend on the principal and interest thereof of 27.555 per centum; and do further produce to the said Commissioner the total amount of the first mortgage Orange, Alexandria and Manassas Railroad bonds and coupons heretofore enumerated as held by them, and to acknowledge a credit thereon of \$1,330,905.95, which amounts to a dividend on the principal and interest thereof of 72.62 per centum. And it shall be the duty of said Commissioner to see that such respective credits are endorsed on such bonds and coupons before the same are returned to said purchasers, and he will further take a proper receipt for such payment as his voucher therefor.

And the Court doth further adjudge, order and decree that said Commissioner Barbour, do distribute the sum of four hundred and thirty-two thousand and sixty-six dollars and sixty-one cents (\$432,066.61) paid, and to be paid to him by said purchasers as follows:

To the holders, other than the purchasers, of the bonds and coupons of the first mortgage Orange & Alexandria Railroad Company, the sum of \$70,915.90, which, as heretofore ascertained, will pay the same with interest in full to January 1st, 1881, and the Commissioner will pay to each of said holders of said bonds and coupons the face value thereof with all interest accrued thereon to January 1st, 1881, and shall then take possession of, cancel and preserve the same as his voucher for said payment.

To the holders, other than the purchasers, of the bonds and coupons of the second mortgage Orange & Alexandria Railroad Company, the sum of \$133,712.05, which as heretofore ascertained, will pay the same with interest in full to January 1st, 1881, and the Commissioner will pay to each of said holders of said bonds and coupons the face value thereof, with all interest accrued thereon to January 1st, 1881, and shall then take possession of, cancel and preserve the same as his voucher for said payment.

To the holders, other than the purchasers, of the bonds and coupons of the Manassas Gap Railroad Company, the sum of \$7,955.23, which as heretofore ascertained, will pay the same with interest in full to January 1st, 1881, and the Commissioner will pay to each of said holders of said bonds and coupons the face value thereof, with all interest accrued thereon to January 1st, 1881, and shall then take possession of, cancel and preserve the same as his voucher for said payment.

To the holders, other than the purchasers, of the bonds and coupons of the third mortgage Orange & Alexandria Railroad Company the sum of \$136,142.84, which as heretofore ascertained will pay a dividend upon the same with interest to January 1st, 1881, of 87.425 per centum; and the Commissioner will see that when each of said bonds and coupons is presented to him for the collection of said dividend that the sum so paid by him is duly

endorsed as a credit thereon, and he will further take a proper receipt for such payment as his voucher therefor.

To the holders, other than the purchasers, of the bonds and coupons of the first mortgage Orange, Alexandria & Manassas Railroad Company the sum of \$78,340.59, which as heretofore ascertained will pay a dividend upon the same with interest to January 1st, 1881, of 72.62 per centum, and the Commissioner will see that when each of said bonds and coupons is presented to him for the collection of said dividend that the sum so paid by him is duly endorsed as a credit thereon, and he will further take a proper receipt for such payment as his voucher therefor. But the said John S. Barbour shall not proceed to collect the said further sum of \$232,066.61, or to execute this part of this decree, until he shall have entered into a bond before the Clerk of this Court, with security to be approved by him in the penalty of \$300,000, conditioned according to law.

And the said Commissioner will report his proceedings under this decree and return therewith his vouchers for his disbursements thereunder.

And the Court doth further adjudge, order and decree, that so soon as said purchasers have paid the said further sum of \$232,066.61 to said Commissioner and have delivered to him the bonds and coupons for cancellation and endorsement of credit as is hereinbefore provided, it shall be the duty of John S. Barbour, Receiver, in this cause to put the said purchasers in possession of the property, works and franchises purchased by them at the said sale, together with all books, maps, plans, papers, records and documents of the defendant corporation and of the Receiver relating and appertaining to the franchises, property and works in question, and at the same time the said John S. Barbour, who is hereby appointed a Special Commissioner for the purpose, shall, by a proper deed with special warranty, convey the property, rights and franchises of the defendant corporation, as described in the decree of sale, to the said purchasers or to whomsoever they, in writing may direct, at their cost and charge.

And John S. Barbour, Receiver in this cause, will, out of the funds in his hands unadministered, pay the cost of the said sale.

And the Court, except so far as the same may be otherwise ordered to be disbursed, doth reserve the funds in the hands of the Receiver, arising from sources other than such sale, for future distribution amongst the bondholders and other claimants thereof as may hereafter be adjudicated; the same being more than sufficient to pay the claims for labor and supplies and the claim of Sarah G. Smith, executrix of F. L. Smith, and any other claims alleged to be payable, in preference to the aforesaid bonds, the payment whereof in whole or in part has been herein before decreed.

And the Court doth adjudge, order and decree, that John S. Barbour, Receiver, do, out of the funds in his hands as such, pay to Pleasant Farmer or to his attorney of record, the sum of six hundred dollars in compromise and full satisfaction of his claim as set forth in his petition for damages to the woods upon his land in the County of Pittsylvania.

A Copy—Teste:

MORTON MARYE, Clerk.

DEED FROM JOHN S. BARBOUR, COMMISSIONER, IN THE SUIT OF GRAHAM
VS. WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN
RAILROAD TO ROBERT T. BALDWIN, J. WILLCOX BROWN AND ROBERT
GARRETT, TRUSTEES OF THE ASSOCIATED BONDHOLDERS AND CRED-
ITORS.

THIS DEED, made this first day of January, one thousand eight hundred and eighty-one, between John S. Barbour, Special Commissioner of the Circuit Court of the City of Alexandria, in the State of Virginia, in the cause of John C. Graham against the Washington City, Virginia Midland and Great Southern Railroad Company and others, Grantor, and Robert T. Baldwin, J. Willcox Brown and Robert Garrett, styling themselves Trustees of the Associated Bondholders and creditors, Grantees.

Whereas, a suit was instituted by the said John C. Graham against the Washington City, Virginia Midland and Great Southern Railroad Company and others, in the said Circuit Court of the City of Alexandria, the purpose of which suit was to have a Receiver appointed and to foreclose the mortgages upon the said Company's road, property and works and sell the same and all the rights, privileges and franchises thereunto belonging or appertaining ;

And whereas, on the 13th day of February, 1880, the said Court ordered and decreed a sale of all the works, properly, rights and franchises of said Company, as particularly set forth and described in said decree of sale, and appointed said John S. Barbour, Special Commissioner for the purpose of selling the said works, property, rights and franchises as set forth in said decree of sale ;

And whereas, said John S. Barbour, Special Commissioner, by a subsequent order of said Court, entered on the 15th day of October, 1880, was directed to execute said decree of sale ;

And whereas, after advertising the time, place and terms of said sale in conformity with the said decree of sale the said John S. Barbour, as Special Commissioner aforesaid, did upon the twentieth (20th) day of December, 1880, at the place and time and on the terms set out in said advertisement, offer for sale in conformity with said decree and advertisement, and did sell in conformity with said decree and advertisement the said works, property, rights and franchises so decreed to be sold, at which said sale the said Grantees herein became the purchasers of said works, property, rights and franchises so sold at the price of five millions and six hundred thousand dollars ;

And whereas, the said sale was duly reported to the said Circuit Court at a special term thereof held in the city of Alexandria, in the month of December, 1880 ;

And whereas, by decree of said Court, pronounced in the said cause on the thirtieth (30th) day of December in the said year the said sale was duly confirmed, and the said Grantees were held to be the purchasers of the works, property, rights and franchises so sold ;

And whereas, by the same decree of December 30th, 1880, the said John S. Barbour was duly appointed a Special Commissioner for the purpose of conveying to said purchasers or to such persons as they in writing should direct, the works, property, rights and franchises so sold and which are hereinafter more particularly described in the granting clause of this deed ;

And whereas, said John S. Barbour has duly complied with all the provi-

sions of said decree, of December 30th, 1880, appointing him Special Commissioner.

NOW THIS DEED WITNESSETH, that in consideration of the premises and of the said purchasers, the Grantees herein, having fully complied with the terms of sale and with all the conditions of said decree of December 30th, 1880, confirming said sale and ordering said conveyance, the said John S. Barbour, Special Commissioner as aforesaid, by virtue of his authority as such and in compliance with the terms and provisions of said last mentioned decree of December 30th, 1880, By These Presents doth give, grant, bargain, sell, assign and convey, with special warranty, unto Robert T. Baldwin, J. Wilcox Brown and Robert Garrett, styling themselves Trustees of the Associated Bondholders and Creditors, all and singular, the works and property of said Washington City, Virginia Midland and Great Southern Railroad Company and the companies consolidated into it, as they were at the time of its making the deed of trust to D. H. Miller, Roht. Garrett and J. W. Burke, dated May 1st, 1873, and as described in said deed, and all works, property, rights and franchises which the said Company or the Receiver in said cause had acquired or constructed after the date of said deed of trust and before the said sale, and also all other property of which said Company or said Receiver was possessed at the time of said sale, other than debts due to said Company, also the lease dated on the 20th day of August, 1873, between said Company and the Baltimore and Ohio Railroad Company, whereby said Baltimore and Ohio Railroad Company leased of the said Washington City, Virginia Midland and Great Southern Railroad Company, its road from Strasburg to Harrisonburg, in the State of Virginia, and also the lease made under an order of said Court by the Receiver in said cause on the 19th day of September, 1878, for and on behalf of the Washington City, Virginia Midland and Great Southern Railroad Company with the Franklin and Pittsylvania Railroad Company, whereby said Franklin and Pittsylvania Railroad Company leased its road from Pittsville, in the county of Pittsylvania, to Rocky Mount, in the county of Franklin, in the State of Virginia, to the Receiver in said cause on behalf of the defendant corporation therein, and also the benefit of a contract of lease made under an order of said Court by the Receiver in said cause on the 6th day of June, 1878, and modifications subsequently made, for and on behalf of the defendant corporation with the Charlottesville and Rapidan Railroad Company, whereby said Receiver for and on behalf of the defendant corporation leased from the said Charlottesville and Rapidan Railroad Company its road from the town of Charlottesville, in the county of Albemarle, to a point at or near Orange Courthouse, in the county of Orange, in the State of Virginia, and also any and all other leases and contracts made by said Receiver, for and on behalf of the defendant corporation, whether made by order of said Court or not, and also the Pittsville Narrow Gauge Branch, in the county of Pittsylvania, State of Virginia, and all rights, privileges property and works thereto pertaining; said Grantees herein take the property, rights, franchises and works sold under said decree of sale, and now herein conveyed, subject to the leases and contracts hereinbefore specially named, and all other contracts of a like nature, whether made by the said defendant corporation or by the said Receiver, and if made by the said Receiver whether under an order of said Court or not, and the said Grantee must, as to the said contracts and leases, take the place of said Company or of said Receiver as the case may be, and assume any and all liability and obligations thereunder, all of which is specially provided for in the 48th section of said decree of February 13th, 1880; the works, property and franchises herein conveyed are more fully described in the bill filed in said cause and in the proceedings therein and in said decree of sale of February 13th, 1880, and especially in 37th, 42d and 48th sections of said decree, to all of which reference is hereby made for a fuller and more accurate description of the works, property, rights and franchises herein granted and intended to be conveyed. The road and property herein conveyed may be generally

described as a continuous line of railway in the State of Virginia, from the city of Alexandria to the town of Gordonsville; from the town of Charlottesville to the City of Danville, and from the town of Manassas to the town of Harrisonburg, with branches from said main line to Warrenton, in Fauquier county, Front Royal in the county of Warren, and Pittsville in Pittsylvania county, together with all the property, works, rights and franchises thereto pertaining, and the leases of the Charlottesville and Rapidan Railroad and Franklin and Pittsylvania Railroad, and the lease to the Baltimore and Ohio Railroad Company of that portion of the Manassas Branch lying between Strasburg and Harrisonburg.

The said purchasers, Robert T. Baldwin, J. Willcox Brown and Robert Garrett, styling themselves Trustees of the Associated Bondholders and Creditors, being the Grantees herein, hereby set forth and declare in this conveyance that they have adopted as their corporate name, "The Virginia Midland Railway Company," and in witness of the fact that said purchasers and grantees do hereby declare themselves to be a corporation by the name of "The Virginia Midland Railway Company" they have hereunto signed their names and affixed their seals.

Witness the following signatures and seals.

JOHN S. BARBOUR, [SEAL]
Special Commissioner.

ROBERT T. BALDWIN, [SEAL]
J. WILLCOX BROWN, [SEAL]
ROBERT GARRETT, [SEAL] } Trustees of the Associated Bondholders and Creditors.

VIRGINIA—CITY OF ALEXANDRIA, TO-WIT:

I, K. KEMPER, a Notary Public of the State of Virginia, in and for the said City of Alexandria, in the State of Virginia, do certify that JOHN S. BARBOUR, Special Commissioner, whose name is signed to the writing above, bearing date on the first day of January, eighteen hundred and eighty-one, has acknowledged the same before me in the City of Alexandria aforesaid.

Given under my hand and notarial seal this first day of January, in the year eighteen hundred and eighty-one. K. KEMPER, Notary Public.

STATE OF MARYLAND—CITY OF BALTIMORE, TO-WIT:

I, WALTER S. WILKINSON, a Notary Public of the State of Maryland, in and for the City of Baltimore, in the said State, do certify that ROBERT T. BALDWIN, J. WILLCOX BROWN and ROBERT GARRETT, styling themselves Trustees of the Associated Bondholders and Creditors, whose names are signed to the writing above, bearing date the first day of January, in the year eighteen hundred and eighty-one, acknowledged the same before me, in the said City and State.

Given under my hand and notarial seal this first day of January, in the year eighteen hundred and eighty-one. W. S. WILKINSON,
[SEAL.] Notary Public.

VIRGINIA—CORPORATION COURT OF THE CITY OF ALEXANDRIA, CLERK'S OFFICE, January 3rd, 1881.

This deed was received, and having been acknowledged before Notaries Public, and the tax required by law having been paid to me, was admitted to record.

Teste: MORTON MARYE, Clerk.

RESTRAINING ORDER OF JANUARY 18, 1881.

John C. Graham,	}	In Chancery—Upon Petition of Robert
vs.		T. Baldwin, J. Willcox Brown and
W. C., V. M. & G. S. R. R. Co.)		Robert Garrett.

Injunction awarded, according to the prayer of the bill, restraining John S. Barbour, as Receiver and Commissioner of Sale in the cause of John C. Graham vs. Washington City, Virginia Midland and Great Southern Railroad Company and others, from paying to the holders of the third mortgage bonds of the Orange and Alexandria Railroad Company a greater sum than seventy-nine per cent.; to the holders of the Lynchburg and Danville Railroad Company a greater sum than twenty-six per cent.; to the holders of the Orange, Alexandria and Manassas bonds a greater sum than sixty-eight per cent., until the further order of the Court; and the Commissioner of this Court, H. Shepperd, is ordered to inquire and report fully upon the matters raised in the bill. Two weeks notice in some newspaper of the time and place of executing this decree shall be given in two convenient newspapers to be selected by the Commissioner.

(Signed)

JAMES KEITH,

To MORTON MARYE, Cl'k C. C. Alex. City.

Jan. 18, 1881.

A copy—Teste:

MORTON MARYE, Clerk.

PROCEEDINGS OF THE DIFFERENT MEETINGS OF THE BONDHOLDERS
AND CREDITORS OF THE "WASHINGTON CITY, VIRGINIA MID-
LAND AND GREAT SOUTHERN RAILROAD COMPANY," HELD IN
THE CITY OF BALTIMORE, IN THE YEAR 1879, LOOKING TO A RE-
ORGANIZATION OF SAID COMPANY.

*Proceedings of a Meeting of the Bondholders and Creditors
of the Washington City, Virginia Midland and Great
Southern Railroad Company, held at the National Mechan-
ic's Bank of Baltimore on the 26th of June, 1879.*

A meeting of the Bondholders of the Orange and Alex-
andria, Orange Alexandria and Manassas, and Lynchburg and
Danville Railroad Companies was held at the Office of the
National Mechanic's Bank of Baltimore on Thursday, the
26th day of June, 1879, in pursuance with the following
notice:

"Notice is hereby given that at the request of numerous parties largely
interested, a meeting will be held on Thursday, the 26th day of June, at 12
o'clock M., at the office of the National Mechanic's Bank of Baltimore, with a
view of adopting a scheme for the reorganization of the Washington City, Vir-
ginia Midland and Great Southern Railroad Company. All holders of the
bonds of that Company and of the Orange and Alexandria, Orange Alexan-
dria and Manassas, and Lynchburg and Danville Railroad Companies, are
invited to be present in person or by proxy. It is important that there should
be a full attendance of holders of bonds of all classes."

At the hour appointed, a large number of bondholders and
their representatives being present:

On motion of Hon. Geo. Wm. Brown, Mr. R. T. Baldwin,
of Baltimore, was called to the chair and C. M. Blackford, of
Lynchburg, Va., was elected Secretary.

The Chairman, having assumed the chair, at his request Mr.
Wm. F. Frick explained the object of the meeting.

F. L. Smith, Jr., of Virginia, submitted the following reso-
lution, which was seconded:

"Be it Resolved, That a Committee of Three be appointed to examine and report the amounts of the several classes of indebtedness of the Washington City, Virginia Midland and Great Southern Railroad Company and its component corporations represented in this meeting."

After discussion, the resolution was lost. Mr. H. R. Garden criticised the proposition submitted by Mr. Frick and pointed out difficulties in carrying it out.

Mr. S. Wilmer offered the following resolution, which was unanimously adopted:

"That a Committee of Nine, of which the Chairman of this meeting shall be a member, be appointed, to whom the subject of the reorganization of the Virginia Midland Railroad and the scheme and calculations submitted by the Baltimore and Ohio Railroad Company be referred, and that the said Committee be requested to examine the same and report thereon as soon as possible to an adjourned meeting, to be called by the Chairman of this meeting as soon as the Committee shall be ready to report; and that said Committee be requested to incorporate in their report any modifications of the scheme which their investigations will lead them to think desirable, so that this or some other scheme for reorganization may be submitted to such adjourned meeting for action thereon."

Under which resolution the following committee was appointed: R. T. Baldwin, Chairman; W. F. Frick, H. R. Garden, J. Willcox Brown, S. Wilmer, L. L. Conrad, Jos. Bryan, C. M. Blackford and J. K. Cowen.

On motion of Mr. Garden, it was decided that the Committee should have their report printed and distributed to the various bondholders prior to the called meeting.

Mr. Blackford offered the following preamble and resolution, which were unanimously adopted:

WHEREAS, a suit is pending in the Circuit Court of the City of Alexandria, Va., in the name and style of JOHN C. GRAHAM, who sues, &c., against the WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY AND OTHERS, which suit was instituted on the 27th of June, 1876, for the enforcement and foreclosure of the various mortgages executed by said Washington City, Virginia Midland and Great Southern Railroad Company and the several companies of which said Company is composed, to-wit: The Orange and Alexandria, Orange Alexandria and Manassas, and the Lynchburg and Danville Railroad Companies; and whereas on the 6th of June, 1878, John S. Barbour, the Receiver in said cause, made a report to said Circuit Court, accompanied by a contract, in these words:

TO THE HON. JAMES KEITH,

Judge of the Circuit Court for the City of Alexandria:

The undersigned respectfully submits that the Charlottesville and Rapidan Railroad Company (a corporation chartered by the laws of Virginia to construct a line of railroad from some point on the Washington City, Virginia Midland and Great Southern Railroad at or near the Town of Charlottesville,

to a point on said last named railroad between the Town of Orange and the Rapidan River,) propose to lease the said line of railroad, when constructed, to the Washington City, Virginia Midland and Great Southern Railroad Company, and assigns, for their sole and exclusive use and operation, upon the terms and conditions set forth in the accompanying contract, which is herewith presented for the consideration and approval of the Court. The proposed lease, if executed, will be for many reasons highly desirable to the interests of the Railroad Company and enhance to a large extent the future value of its property; at present the Washington City, Virginia Midland and Great Southern Railroad has a break in the continuity of its line between terminal points, extending from Gordonsville to Charlottesville, a distance of twenty-two miles, for which trackage is obtained for trains over the Chesapeake and Ohio Railroad at an annual charge of \$30,000—payable in monthly instalments of \$2,500. This arrangement as it now exists is liable to many serious objections. It may be suspended or rescinded at the pleasure of the Chesapeake and Ohio Railroad Company, and cut off through traffic, no local business can be operated between Charlottesville and Gordonsville and intermediate stations by trains of the Washington City, Virginia Midland and Great Southern Railroad Company, schedules only made and run by permission of said Chesapeake and Ohio Railroad Company; and the single track of the last named Company must prove inadequate for the business of the two Railroad Companies if the traffic should much increase beyond the present amount of tonnage transported by them respectively. The proposed lease will obviate these serious difficulties and afford at very little comparatively more cost per annum a new first class railroad to be laid with steel rail and with iron bridges, with grade and curvatures corresponding with those of the main line between Alexandria and Lynchburg and give exclusive use and control of the same for all time to the Washington City, Virginia Midland and Great Southern Railroad Company, or its assigns, and open up the local business between Charlottesville and Orange—in itself a matter of considerable importance.

It will be further noted that at the expiration of thirty-four years from which said lease is to run the said Charlottesville and Rapidan Railroad becomes part and parcel and the property of the Washington City, Virginia Midland and Great Southern Railroad Company, without further cost or charge. The proposed contract will, in the judgment of the undersigned, add largely to the revenue and receipts of the Railroad Company now in his charge as Receiver, and increase the general efficiency of its service.

All of which is respectfully submitted by

JOHN S. BARBOUR, Receiver.

CONTRACT WITH CHARLOTTESVILLE AND RAPIDAN RAILROAD COMPANY.

This deed, made this 6th day of June, 1878, between the Charlottesville and Rapidan Railroad Company of the first part, and John S. Barbour, Receiver, in the Chancery suit of Graham vs. The Washington City, Virginia Midland and Great Southern Railroad Company now pending in the Circuit Court for the City of Alexandria acting under an order made this day in said cause for and on behalf of said defendant Corporation and all the parties to said suit of the second part—witnesseth

I. That the said Charlottesville and Rapidan Railroad Company, on its part, covenants and agrees—

First.—That it will construct, before the first of July, 1879, a railroad from the Town of Charlottesville or some point on the Washington City, Virginia Midland and Great Southern Railway adjacent thereto, to Orange Courthouse or some point on said Railway between that place and the Rapidan River, and will join the same to said Washington City, Virginia Midland and Great Southern Railroad track at each end thereof. The said road is to be constructed in all respects as a first-class single track railroad with steel rails, good and substantial

masonry and bridges, and all necessary and proper turnouts and switches; all to be constructed, completed and ready for use by the first of July, 1879, and to be so constructed as to be approved and received by the Engineer of said Receiver.

Second.—To permit the said John S. Barbour, Receiver as aforesaid, and those claiming under him by virtue of the orders of said Circuit Court of Alexandria in said cause, to enter upon and exclusively use, occupy, possess and enjoy the said Railroad and its property and franchises forever.

II. That the said John S. Barbour, Receiver as aforesaid, under and by virtue of a decree rendered this day by the Circuit Court of Alexandria in the said cause of *Graham vs. the Washington City, Virginia Midland and Great Southern Railroad Company*, doth, for and on behalf of the said Defendant Corporation, and the parties to said suit, covenant and agree with said Charlottesville and Rapidan Railroad Company, in consideration of the promises and undertakings of said Company—

First.—To pay to said Charlottesville and Rapidan Railroad Company the sum of thirty-six thousand dollars per annum, payable quarterly, beginning on the day said Charlottesville and Rapidan Railroad Company shall complete and turn over to said Receiver the said Railroad, which it has contracted to build under this contract, in accordance with the terms of its contract in regard thereto; and further, to continue to pay said annual sum of \$36,000 for a term of thirty-four (34) years from the date of the completion and reception of said road.

Second.—In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said road from Charlottesville to Orange Courthouse shall, within sixty days from such default, be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may thereafter, at the option of said party of the first part, be declared null and void.

III. It is hereby mutually agreed that in case the party of the first part may desire to convey, pledge or assign its rights under this contract for the purpose of borrowing money, then, and in that event, due care shall be taken to provide that the annual payments herein covenanted to be made by the party of the second part shall be so applied as to meet any instalments of interest or principal which, according to such conveyance, assignment or pledge said Railroad Company may undertake and agree to pay to the person from whom said money may be borrowed.

In testimony whereof Alfred Earnshaw, the President of said Charlottesville and Rapidan Railroad, has hereunto signed his name and affixed the seal of the said Company; and John S. Barbour, Receiver, as aforesaid has hereunto attached his hand and seal.

ALFRED EARNSHAW, President. [SEAL.]
JOHN S. BARBOUR, Receiver. [SEAL.]

VIRGINIA:—CITY OF ALEXANDRIA, TO-WIT:

I, L. W. Reid, a Notary Public in and for the City and State aforesaid, do certify that Alfred Earnshaw, President of the Charlottesville and Rapidan Railroad Company, and John S. Barbour, Receiver of the Washington City, Virginia Midland and Great Southern Railroad Company, whose names are signed to the paper hereto attached bearing date June 6th, 1878, this day personally appeared before me in my city aforesaid and acknowledged the same to be their act and deed.

Given under my hand this 6th of June, 1878.

L. W. REID, N. P.

And thereupon on the 6th of June, 1878, said Court decreed as follows: "And the Court having maturely considered the report of Receiver Barbour in regard to an agreement which it is proposed therein shall be entered into with the Charlottesville and Rapidan Railroad Company for the purpose of connecting the terminal point of the Lynchburg and Charlottesville Division of the Washington City, Virginia Midland and Great Southern Railroad at or near Charlottesville with the Alexandria and Gordonsville Division of said Road at some point near Orange Courthouse, doth approve and confirm said report and the contract therewith filed, and doth adjudge, order and decree that said John S. Barbour, Receiver, for and on account of said defendant corporation and of all the parties to this suit, do make, sign, execute and enter into said contract with said Charlottesville and Rapidan Railroad Company. And the Court doth declare that in any order of sale or any decree looking to a reorganization of said Company hereafter to be made, such sale or order shall be made subject to the rights, obligations and interests which may be created or vested by and under said contract;" and whereas, by virtue of said authority thus conferred said John S. Barbour, Receiver, as aforesaid, did on said 6th of June, 1878, enter into said contract, and thereafter on the 25th of September, 1878, said Receiver reported to said Court as follows: "At the last term of the Court a conditional contract entered into with the Charlottesville and Rapidan Railroad Company by the Receiver for the use and occupation of their Road when constructed was approved and ratified as set out in said contract. One of the provisions made in said contract which gave the said Charlottesville and Rapidan Railroad Company power to re-enter in the event of failure on part of the lessee to pay the rent as agreed, and which was regarded as made for the protection and advantage of the lessors, has since been regarded as objectionable to their interests by certain parties with whom the said Charlottesville and Rapidan Railroad Company have been negotiating for financial assistance, and it is now desired by said Company that this provision be stricken out of the contract referred to and modified to meet the views of the Charlottesville and Rapidan Railroad Company. As it cannot conflict with the rights or interests of the lessees in said contract, authority is asked of the Court to make the amendment in the lease or contract as desired, and also that time for construction of said Road be extended to January 1st, 1880." And said Court thereupon on said 25th of September, 1878, decreed as follows: "And it further appearing from said report that such a change is to the advantage of the defendant corporation, the Court doth hereby authorize and instruct the said Receiver to so alter and amend the contract made with the Charlottesville and Rapidan Railroad Company, under the power granted by the decree rendered in the cause at the last term of this Court, that the clause in said contract which now reads:

"Second—In case of failure on the part of the said party of the second part to promptly pay said quarterly instalments of money provided for above, it is agreed that the said Road from Charlottesville to Orange Courthouse shall within sixty days of such default be released and delivered up to said Charlottesville and Rapidan Railroad Company, and this contract may thereafter at the option of the said party of the first part be declared null and void."

Shall hereafter be so altered and amended as to read:

"Second.—In case of failure on the part of said party of the second part to promptly pay said quarterly instalments of money provided for above it is agreed that the said Railroad from Charlottesville to Orange Courthouse shall upon the written demand of the party of the first part be released and delivered up to the said Charlottesville and Rapidan Railroad Company within thirty days after service of such demand, and after said release this contract may at the option of said party of the first part be declared null and void, but without prejudice to the rights of any or all bondholders of said Charlottesville and Rapidan Railroad Company to sue for and recover from the

party of the second part all damages resulting from such default, whether the road be released or not."

And it is further ordered, adjudged and decreed that the time for the construction and completion of said Road be extended to the first day of January, 1880.

To which modification so authorized said John S. Barbour, Receiver as aforesaid, has assented and agreed; and whereas said Charlottesville and Rapidan Railroad Company by authority of its charter proposes to execute a mortgage on its whole property, real and personal, now held or hereafter acquired, together with the benefit of said contract of lease with said John S. Barbour, Receiver as aforesaid, to S. M. Felton, Robert Garrett and John W. Burke, trustees, for the purpose of securing bonds to the amount of \$500 000, to be issued and exclusively applied to the construction of its said road, which mortgage is dated 1st July, 1879, and it is deemed advisable that the form of said mortgage should be ratified and approved by said Court, and said Company is engaged in negotiations with George A. Parker for the construction of the same and it is manifestly impracticable to construct and complete the same by the 1st of January, 1880, and a further extension of the period of its completion is absolutely necessary:

Now therefore, Be it resolved by this meeting of the holders of the bonds secured by the various mortgages of said Washington City, Virginia Midland and Great Southern Railroad and its component companies, to wit: the Orange and Alexandria Railroad Company, the Orange, Alexandria and Manassas Railroad Company, and the Lynchburg and Danville Railroad Company, That, believing it to be the interest of all parties concerned that the said Charlottesville and Rapidan Railroad should be constructed and completed at the earliest practicable date, on the terms authorized by said decrees hereinbefore recited, and in accordance with the contract and the amendment thereof, made as aforesaid, does therefore approve, ratify, assent to, and confirm the action of said Court in making said decrees, and the action of said John S. Barbour, Receiver, in entering into said original and amended contracts, and does hereby request the said Circuit Court of Alexandria, at a special or regular term thereof, to authorize a further modification of said contract so as to extend the period for the construction and completion of said Charlottesville and Rapidan Railroad as in its judgment may be proper, and to ratify and confirm the form of said mortgage proposed to be executed by said Charlottesville and Rapidan Railroad Company, and to ratify and confirm the acts of said Receiver so far as they relate to this matter, and to any and all such other things as may be necessary and requisite to give validity to said scheme.

On motion the meeting adjourned, subject to the call of the Chairman.

R. T. BALDWIN, Chairman.

CHAS. M. BLACKFORD, Secretary.

Minutes of a Meeting of the Bondholders and other Creditors of the Washington City, Virginia Midland and Great Southern Railroad Company, held July 23^d, 1879, at the National Mechanics Bank of Baltimore, pursuant to the call of R. T. Baldwin, the President of a Meeting of said Bondholders and Creditors held on the 26th of June, 1879, at the National Mechanics Bank of Baltimore.

The meeting was called to order by R. T. Baldwin, Chairman, and the notice of the meeting as published in the papers was read by the Secretary, which was in the following words and figures :

NOTICE TO THE BONDHOLDERS AND CREDITORS OF THE WASHINGTON CITY,
VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY.

The Committee appointed at the meeting of the Bondholders of the above-named Company, held at the National Mechanics Bank, Baltimore, June 26, 1879, having unanimously agreed upon a scheme for the reorganization of the said Company, are prepared to report the same, and accordingly, pursuant to the resolution adopted by the Bondholders, the undersigned hereby gives notice that there will be a meeting of the Bondholders and Creditors of the said Company on Wednesday, the 23^d of July, at 12 o'clock M., at the office of the National Mechanics Bank, Baltimore, to receive the report of the Committee.

Printed copies of the report and plan of reorganization can be found at the office of Messrs. Brown and Lowndes, No. 17 German street, Baltimore.

[July 14, 1879.]

ROBT T. BALDWIN,
Chairman.

The Secretary, Chas. M. Blackford, having read the report of the proceedings of the last meeting, they were confirmed.

The Chairman thereupon, as chairman of the committee of nine to whom the last meeting referred the scheme of reorganization proposed by the Baltimore and Ohio Railroad Company, submitted the report of that committee and the amended and modified plan of reorganization proposed by it, to the consideration of the meeting, which report and plan are in the words and figures following :

To the Bondholders and Creditors of the Washington City, Virginia Midland and Great Southern Railroad Company:

The undersigned Committee appointed to examine and report upon the scheme for reorganization of the Washington City, Virginia Midland and Great Southern Railroad Company, submitted to the meeting of its Bondholders and Creditors, held in the City of Baltimore on the 26th of June, 1879, do respectfully report:

That in the execution of the duty with which they were charged, they entered upon an investigation of the condition of the Company, its indebtedness of every class, its receipts and expenditures, present and prospective, and of the principles upon which a distribution of its probable net earnings ought to be made among the different classes of its bondholders, so as to insure as nearly as practicable, a just and equitable appropriation of those earnings, and a proper compromise of all conflicting interests and claims.

The Committee, on full consultation, came to the conclusion that certain modifications of the scheme were necessary and proper to be made; and accordingly they agreed unanimously that it should be changed in the following particulars:

1. In the original scheme, the interest on the 1st and 2d Orange and Alexandria Bonds, from July 1st, 1879, to July 1st, 1880, was to be waived by the holders of those securities. In the modified scheme, that interest is funded in the new bonds to be issued.

2. The interest on the 3d Orange and Alexandria Bonds is increased from five per cent. to six per cent. after the expiration of five years.

3. The interest on the 4th Orange and Alexandria Bonds is reduced from four per cent. to three per cent. for the first ten years, and four per cent. for the next ten years, and five per cent. for the remaining twenty years.

4. The mortgage to be made to secure the new bonds issued in lieu of the 1st Orange, Alexandria and Manassas Gap Bonds is to cover all the interest of the new Company in the lease of the road from Strasburg to Harrisonburg, made by the Baltimore and Ohio Railroad Company, thus pledging the rental of that road to the payment of the interest upon this class of new bonds.

5. The interest upon the new bonds issued in lieu of the Lynchburg and Danville Bonds is at the rate of four per cent. for eight years, instead of at that rate for five years.

6. The First Preferred Stock is to include half of the interest to July 1st, 1879, upon the 4th Orange and Alexandria Bonds, and half of the principal of the 2d Orange, Alexandria and Manassas Bonds, and half of the interest thereon up to the same date, in addition to the three items of interest which, by the original scheme, constituted the first preferred stock. The Second Preferred Stock is reduced by the amounts thus transferred to the first preferred stock. The preferred stock is to receive an eight per cent. dividend instead of a six per cent. dividend, but four per cent. is to be paid to the first preferred stock, and then four per cent. to the second preferred stock, and the residue of any one year's dividend is to be divided equally between the two classes until each receives an eight per cent. dividend.

7. The common and preferred stock of the old Companies is to be represented by stock in the new Company, upon a basis of one hundred dollars stock of the new Company for five hundred dollars of stock of the old Companies.

8. All interest upon interest or coupons is stricken out of the scheme.

9. The new road to be constructed by the Charlottesville and Rapidan Railroad Company, from Charlottesville to Orange Courthouse, is to be covered by all the mortgages except the mortgage to secure the new bonds issued in lieu of the Lynchburg and Danville Bonds.

10. The new Company is to assume the lease of the Franklin and Pittsylvania Railroad Company, and all interest in that lease is to be covered by a mortgage made to secure the new bonds issued in place of the Lynchburg and Danville Bonds.

11. The Trustees are authorized to borrow such sums of money as may be needed for the purchase of the road and the other purposes of the trust, upon the credit of the property which they purchase. Vacancies in the Board are to be filled by the Trustees.

The above mentioned changes have been properly incorporated into the scheme presented for the consideration and action of the Committee, and a new paper has been prepared and printed, a copy of which is attached to this report.

The Committee recommend to the creditors of the Company the acceptance of this scheme, and venture to express their belief that if it shall be carried into execution the Company will be relieved from its present embarrassed and discredited condition, and the new bonds for which provision is made may reasonably be expected to reach at once their fair market value, as reliable interest-paying securities.

For the convenience of receiving the signatures of Bondholders and Creditors in acceptance of the scheme now presented, copies thereof will be placed at the office of Messrs. Brown & Lowndes, No. 17 German street, in the city of Baltimore, and at the Banking House of Riggs & Co., Washington City, the State Bank of Virginia in Richmond, the People's Savings Bank at Lynchburg, and the Banking House of Messrs. Burke & Herbert in Alexandria.

Respectfully submitted,

ROBERT T. BALDWIN, of Baltimore, Chairman.

II. R. GARDEN, of Warrenton, Va.

CHAS. M. BLACKFORD, of Lynchburg, Va.

JOS. BRYAN, Richmond, Va.

JOHN W. BURKE, Alexandria, Va.

WM. F. FRICK, of Baltimore.

J. WILLCOX BROWN, of Baltimore.

SKIPWITH WILMER, of Baltimore.

L. L. CONRAD, of Baltimore.

SCHEME FOR REORGANIZATION OF THE WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY, RECOMMENDED BY THE COMMITTEE OF BONDHOLDERS OF SAID COMPANY, APPOINTED AT A MEETING HELD AT THE NATIONAL MECHANIC'S BANK, IN THE CITY OF BALTIMORE, JUNE 26TH, 1879, REFERRED TO AND SUBMITTED WITH THE ABOVE REPORT.

[This is omitted because found ante page 35.]

DISTRIBUTION OF NET REVENUES UNDER SCHEME OF REORGANIZATION OF THE WASHINGTON CITY, VIRGINIA MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY.

Basis of net earnings.....	\$370,000 00	
Distributed as follows:		
Original Orange, Alexandria and Manassas Bonds and Coupons to January 1st, 1878.....	\$1,650,469 00	
Manassas Gap Bonds and Debt secured thereby, capitalized at 5 per cent.....	97,176 00	
	\$1,747,645 00	
Interest at 5 per cent.....		\$87,382 25
Amount carried forward.....		
		\$457,382 25

Amount brought forward.....		\$457,382 25
<i>Lynchburg and Danville.</i>		
Original Bonds.....	\$1,310,000 00	
Interest at 4 per cent. to be raised to 5 per cent. at end of eight years.....		52,400 00
<i>First Orange and Alexandria.</i>		
Bonds and Interest to July 1st, 1880.....	502,549 40	
Interest at 6 per cent.....		35,552 96
<i>Second Orange and Alexandria.</i>		
Bonds and Interest to July 1st, 1880.....	1,860,228 70	
Interest at 6 per cent.....		111,613 72
<i>Third Orange and Alexandria.</i>		
Bonds and Interest thereon to May 1st, 1875, and State's claim.....	1,083,690 97	
Interest at 5 per cent., to be raised to 6 per cent. after five years.....		54,184 54
<i>Fourth Orange and Alexandria.</i>		
Bonds and Interest to March 1st, 1875..	926,220 32	
Interest at 3 per cent. to be raised to 4 per cent. after ten years and to 5 per cent. after twenty years.		27,786 60
Total Principal.....	\$7,520,334 39	
Total Interest.....		\$368,920 07
<i>First Preferred Stock.</i>		
Interest on 1st Orange, Alexandria and Manassas from January 1st, 1878, to July 1st, 1879.....	\$173,250 00	
Interest on 3d Orange and Alexandria Bonds from May 1st, 1875, to July 1st, 1879.....	261,944 17	
Interest on State's claim.....	105,933 10	
Coupons and Interest on Lynchburg and Danville Bonds.....	580,674 03	
$\frac{1}{2}$ of Interest on 4th Orange and Alex- andria Bonds from March 1st, 1875, to July 1st, 1879.....	141,287 17	
$\frac{1}{2}$ of 2d Orange, Alexandria and Manas- sas Bonds and Interest thereon to July 1st, 1879.....	230,250 00	
		\$1,495,738 47
<i>Second Preferred Stock.</i>		
$\frac{1}{2}$ of Interest on 4th Orange and Alexan- dria Bonds from March 1st, 1875, to July 1st, 1879.....	\$144,287 17	
$\frac{1}{2}$ of 2d Orange, Alexandria and Manas- sas Bonds and Interest thereon to July 1st, 1879.....	230,250 00	
Washington City, Virginia Midland and Great Southern Bonds and Interest thereon to July 1st, 1879.....	1,553,292 83	
Floating Debt.....	493,764 10	
		2,421,594 10
Total Preferred Stock.....		\$3,917,332 57
Total Bonded Debt.....		7,520,334 39
Aggregate.....		\$11,437,666 96

STATEMENT OF THE INDEBTEDNESS OF THE WASHINGTON CITY, VIRGINIA
MIDLAND AND GREAT SOUTHERN RAILROAD COMPANY, EXCLUDING ALL
INTEREST ON INTEREST OR ON OVERDUE COUPONS.

First Manassas Mortgage (Old Company).

Amount of Bonds outstanding.....	\$8,000 00	
Coupons to 1st January, 1874.....	2,835 00	
Interest on Bonds to 1st July, 1880.....	3,120 00	
Amount of debt secured by Bonds and Coupons as collateral.....	63,500 00	
Interest to 1st July, 1880.....	3,525 00	
		\$80,980 00
First Orange, Alexandria and Manassas Mortgage Bonds and Coupons to Jan- uary 1st, 1878.....	\$1,650,469 00	
Coupons from January 1st, 1878, to 1st July, 1879.....	173,250 00	
		1,823,719 00

Second Orange, Alexandria and Manassas Mortgage.

Amount of Bonds issued and outstanding,	\$25,000 00	
Amount of Bonds exchanged for Gold Bonds.....	74,000 00	
Amount of Bonds hypothecated.....	208,000 00	
		\$307,000 00
[The precise amount of Interest and Coupons is not known—estimated, however, to be about 50 per cent. of above].....	153,500 00	
		460,500 00

Lynchburg and Danville Mortgage.

Principal of Bonds issued.....	\$1,310,000 00	
Coupons due on same.....	\$360,010 00	
Interest on Bonds to July 1st, 1879.....	20,064 03	
		580,074 03
		1,890,074 03

First Orange and Alexandria Mortgage.

Original Bonds and Bonds and Certifi- cates for Funded Interest.....	524,380 00	
Interest to 1st July, 1880.....	68,169 40	
		592,549 40

Second Orange and Alexandria Mortgage.

Original Bonds and Bonds and Certifi- cates for Funded Interest.....	\$1,576,465 00	
Interest to July 1st, 1880.....	283,763 70	
		\$1,860,223 70

Third Orange and Alexander Mortgage.

Amount of the claim of the State of Virginia thereunder, assigned to the Baltimore and Ohio Railroad Com- pany.....	\$263,405 97	
Amount carried forward.....		\$6,707,051 13

Amount brought forward.....		\$6,707,051 13
Original Bonds and Bonds and Certificates for Funded Interest, and Interest thereon to May 1st, 1875.....	820,285 00	\$1,083,690 97
Interest on State's claim as above to July 1st, 1879.....	\$105,933 10	
Interest on Bonds and Certificates to July 1st, 1879.....	261,944 17	367,877 27
		1,451,568 24
<i>Fourth Orange and Alexandria Mortgage.</i>		
Original Bonds and Bonds and Certifi- cates for Funded Interest, and Inter- est thereon to March 1st, 1875.....	\$926,220 32	
Interest on Bonds and Certificates to July 1st, 1879.....	288,574 35	1,214,794 67
<i>Washington City, Va. Md. and G. S. Mortgage.</i>		
Bonds issued.	\$1,072,000 00	
Amount of overdue Coupons, \$468,786 16		
Interest on Bonds to July 1st, 1879.....	12,506 67	481,292 83
		1,553,292 83
Floating Debt.....		493,764 10
Entire Debt.....		<u>\$11,421,470 97</u>

STATEMENT BY RECEIVER OF ESTIMATED REVENUE AND EXPENDITURES.

The annexed Statement exhibits, from an analysis of the average receipts and expenditures of the Road, since the appointment of the Receiver, what can be depended upon with confidence as the result of working the Road and continuing the improvement of the property, and without estimating anything for such prospective increase of business as the mineral developments upon the line make more than probable.

Gross Revenue.....		\$1,020,000 00
<i>Expenditures.</i>		
Working Expenses.....	\$580,000 00	
Trackage to Chesapeake and Ohio and Alexandria and Fredericksburg Rail- roads.....	58,000 00	
Taxes.....	12,000 00	
Renewal of Rails.....	50,000 00	
New Rolling Stock.....	20,000 00	720,000 00
Net Revenue.....		<u>\$300,000 00</u>

Mr. Frank L. Smith, of Alexandria, Va., offered as a substitute for the report of the Committee the following resolution, which was seconded by *Mr. Hubbel*:

Resolved, That it is the sense of this meeting of the Bondholders of the Washington City, Virginia Midland and Great Southern Railroad Company, that the road remain in its present situation, and the Judge of the Circuit Court for the City of Alexandria is hereby requested to pass an order in the suit of *Graham vs. this Company*, directing the application of the net revenues of the Alexandria and Lynchburg Division to the payment of the principal and interest of the four Orange and Alexandria Railroad Mortgages, according to their respective priorities.

This motion was lost—three only voting in the affirmative.

Mr. L. L. Conrad, of Baltimore, moved that the report of the Committee be received and adopted, and that this meeting recommend the scheme reported by the Committee to the approval of all the Bondholders and Creditors of the Washington City, Virginia Midland and Great Southern Railroad Company and its respective divisions.

This motion was seconded by *Col. Jenkins* and advocated by *Mr. Conrad*, *Mr. Bryan* of Virginia, *Judge R. T. Merrick* of Washington, and *Mr. C. M. Blackford* of Virginia, and was adopted, only three persons, *Mr. F. L. Smith*, *K. Kemper*, and *Mr. Hubbel*, voting in the negative.

Mr. Wm. F. Frick, of Baltimore, offered the following resolution, which, upon being seconded, was adopted:

Resolved, As the sense of this meeting, that in providing for the sale of the road by the Receiver, it is not intended that the compensation of the Receiver should be made in the shape of commissions upon the amount of sales, but only in the form of a suitable fee for performing the service of making the sale, and that it is the expectation of this meeting that the Trustees who may be appointed to make the purchase will, previous thereto, make an arrangement with the Receiver for the payment to him, by way of compensation, of any such amount as the said Trustees may deem to be fair and reasonable for the services performed.

Mr. R. T. Merrick, of Washington, moved that the Chairman of this meeting, on or before the 7th of September next, call in by advertising or otherwise all the printed forms of the scheme of reorganization which may have been sent out for signatures, and thereupon give notice that there will be a meeting of such bondholders who then may have approved said proposition and plan at the National Mechanic's Bank in

Baltimore, at 12 o'clock M., on the 3d Tuesday in September next, for the purpose of electing Trustees, as provided for under the first clause of said plan of reorganization.

Adopted.

On motion, the meeting then adjourned *sine die*.

ROBERT BALDWIN, Chairman.

CHAS. M. BLACKFORD, Secretary.

Proceedings of a Meeting of the Bondholders and other Creditors of the Washington City, Virginia Midland and Great Southern Railroad Company, held at the Mechanics National Bank of Baltimore, September 16, 1879.

Proceedings of a meeting of such of the Bondholders of the Washington City, Virginia Midland and Great Southern Railroad Company and its divisions as have accepted the provisions of the scheme of reorganization of said Company, held on the 16th of September, 1879, at the office of the Mechanics National Bank of Baltimore, pursuant to the following notice :

NOTICE.

As directed by a resolution adopted at a meeting of Bondholders and Creditors of the Washington City, Virginia Midland and Great Southern Railroad Company, held in the City of Baltimore on July 23d last, the undersigned, Chairman of said meeting, hereby calls for the return of all the printed forms of the scheme of reorganization heretofore sent out for signature, with a view to a meeting of those who may, by attaching their signatures thereto, assent to and approve of the said scheme.

Notice is hereby given that a meeting of the assenting Bondholders and Creditors as aforesaid will be held at the National Mechanics Bank, in the city of Baltimore, at 12 o'clock M., on Tuesday, September 16th next, for the purpose of choosing three Trustees, as required by the scheme of reorganization.

ROBERT T. BALDWIN, Chairman.

R. T. Baldwin, Esq., of Baltimore, was called to the chair, and Chas. M. Blackford, of Virginia, appointed Secretary.

The Chairman stated the object of the meeting, and caused the notice above inserted to be read.

On motion of S. Wilmer, it was resolved that two tellers be appointed, whose duty it should be to examine proxies and ballots and report to an adjourned meeting of this body, to be held at 3 o'clock to-day, the result of the vote.

The President appointed S. Wilmer and J. W. Burke as such tellers.

Thereupon nominations were made for the position of Trustees under the scheme of reorganization.

Mr. Cowen, on behalf of the Baltimore and Ohio Railroad and Robert Garrett & Sons, nominated Messrs. R. T. Baldwin and Robt. Garrett.

Mr. H. C. Janes nominated J. Willcox Brown.

Mr. F. M. Colston, on behalf of Alex. Donnan, nominated H. R. Garden.

On the motion of L. L. Conrad, Esq., the polls were kept open until 3 o'clock, and the tellers instructed to count all votes cast before that hour.

The chair was then vacated until 3 o'clock.

At 3.15 P. M the meeting reassembled.

The tellers reported that the total number of votes cast amounted to \$7,628,954.92, of which

Robert T. Baldwin received.....	\$7,628,954 92
Jno. W. Brown "	7,628,954 92
Robert Garrett "	7,692,954 92
H. R. Garden "	36,000 00

Whereupon, on motion Robt. T. Baldwin, Jno. Willcox Brown and Robert Garrett were declared duly elected Trustees under the proposed plan of reorganization.

On motion the meeting adjourned *sine die*.

ROBERT T. BALDWIN, Chairman.

CHAS. M. BLACKFORD, Secretary.

History of the Virginia Midland Railway Company.

Robert T. Baldwin, J. Willeox Brown and Robert Garrett, Trustees of the Associated Bondholders and Creditors, having purchased the road, property, and franchises of the Washington City, Virginia Midland and Great Southern Railroad Company, sold by John S. Barbour, Commissioner, in the suit of Graham vs. Washington City, Virginia Midland and Great Southern Railroad Company, on the 20th of December, 1880, and the Circuit Court of Alexandria having confirmed said sale by a decree rendered on December 20th, 1880, (see ante page 131,) the said property was conveyed to them by said Barbour, as Commissioner, by a deed bearing date January 1st, 1881, (see ante page 136,) and the purchasers were forthwith put in possession of said property.

By the same deed the purchasers declared their corporate name to be "THE VIRGINIA MIDLAND RAILWAY COMPANY."

At a meeting of the purchasers held on the first day of January, 1881, they adopted the following *declaration* :

"The Trustees hereby declare the Stockholders of the Virginia Midland Railway Company to be such persons as have assented to the scheme of reorganization as therein set forth, and that such persons shall be entitled to shares of stock, common and preferred, as therein provided, and that the par value of the said shares shall be \$100 each, and scrip for fractional shares shall be issued to such persons as are entitled thereto under said scheme."

At the same meeting, on the same day, the purchasers issued the following *circular* :

GENERAL OFFICE VIRGINIA MIDLAND RAILWAY COMPANY, }
ALEXANDRIA, VA., January 1st, 1881. }

The undersigned Corporators of the Virginia Midland Railway Company have appointed the following executive officers :

JOHN S. BARBOUR.....	President
L. W. REID.....	Secretary
W. H. MARBURY.....	Treasurer
A. MCLEAN.....	Auditor
PEYTON RANDOLPH.....	General Superintendent.

These appointments take effect from this date.

ROBERT T. BALDWIN.
J. WILLCOX BROWN.
ROBERT GARRETT.

The President thereupon issued the following circular :

By virtue of the authority vested in me, notice of which is above communicated, I have this day assumed control and management of the operations of the Virginia Midland Railway Company. All officers and agents in the service of the Receiver of the Washington City, Virginia Midland and Great Southern Railroad Company are hereby appointed to discharge the duties of their respective positions under the present organization from and after this date, and will be recognized accordingly.

JOHN S. BARBOUR,
President.

Alexandria, Va., January 1st, 1881.

The following officers thereupon took charge of the business of the Road.

J. S. BARBOUR.....	President
PEYTON RANDOLPH.....	General Superintendent
W. H. MARBURY.....	Treasurer
L. W. REID.....	Secretary
A. MCLEAN.....	Auditor
M. SLAUGHTER.....	General Ticket Agent
F. T. HAWES.....	General Freight Agent
J. FISHER.....	General Transportation Agent

FIRST GENERAL MEETING OF STOCKHOLDERS OF THE VIRGINIA MIDLAND RAILWAY COMPANY.

The Stockholders of "The Virginia Midland Railway Company" convened in general meeting at the General Offices of the Company, in Alexandria, Va., on Tuesday, the 1st day of February, 1881, pursuant to appointment of Robert T. Baldwin, J. Willecox Brown and Robert Garrett, Trustees for the Associated Bondholders and Creditors, and the following notice duly published in the Baltimore Sun, Alexandria Gazette, Charlottesville Chronicle, Lynchburg Virginian, Danville News and Richmond Dispatch :

NOTICE.—The undersigned, purchasers of the Washington City, Virginia Midland and Great Southern Railroad Company, have organized themselves into a Corporation by the name of "The Virginia Midland Railway Company," and have declared the stockholders of "The Virginia Midland Railway Company" to be the parties entitled to stock under the several provisions of the

scheme of reorganization. The undersigned now give notice that there will be a meeting of the said Stockholders on Tuesday, the first day of February, 1881, at 12 o'clock noon, at the General Offices of the Company, at Alexandria, Virginia, for the purpose of electing the President and Directors of the Virginia Midland Railway Company, and authorizing the issue of the mortgage bonds provided for by the scheme of reorganization, and transacting any other corporate business.

The stockholders entitled to vote at said meeting are only such as were of record on the books of the Safe Deposit and Trust Company of Baltimore City on Saturday, the 22d day of January, 1881.

ROBERT T. BALDWIN,
J. WILLCOX BROWN,
ROBERT GARRETT,

Trustees for the Associated Bondholders and Creditors.

On motion of John S. Barbour, Mr. Robert T. Baldwin, win, of Baltimore, was called to the Chair, and L. W. Reid appointed Secretary.

Mr. Baldwin returned his thanks to the meeting and said:

"For the considerations which have prompted your selection of a chairman for this meeting and the honor done me thereby, I offer my thanks, and bespeaking your indulgence, ask your assistance in efforts to maintain harmony and promote the purposes of your assembling.

"This is a meeting of Stockholders of the Virginia Midland Railway Company, a corporation which rises from the ashes, so to speak, of the Washington City, Virginia Midland and Great Southern Railroad Company by provision of the laws of this State, and pursuant to an agreement and contract between the Bondholders and Creditors of that Company, called a scheme for its reorganization, the meeting having been called by advertisement of the Trustees appointed conformably to a provision of that scheme. On behalf of the Trustees I now report to the stockholders that at a judicial sale of the property and franchises of the Washington City, Virginia Midland and Great Southern Railroad Company, on December 20, 1880, in the exercise of authority given them, they purchased for the Bondholders and Creditors the property and franchises aforesaid for the sum of \$5,600,000; that they paid to Mr. John S. Barbour, Commissioner of the Sale, the purchase money, as follows: \$5,167,933.39 in bonds and accrued interest thereon, and in cash \$432,066.61. The Trustees further report that since the settlement thus made with the Commissioner of Sale they have received under the scheme other bonds as follows: First Mortgage Orange and Alexandria, \$55,595; Second Mortgage Orange and Alexandria, \$76,845; Third Mortgage Orange and Alexandria, \$7,560; First Mortgage Orange, Alexandria and Manassas, \$68,117. And they further report that the amount of bonds secured by the mortgages above named outstanding is about \$220,000. The Trustees further report that on the first day of January, 1881, they made the following declaration: 'The Trustees hereby declare the stockholders of the Virginia Midland Railway Company to be such persons as have assented to the scheme of reorganization as therein set forth, and that such persons shall be entitled to shares of stock, common and preferred, as therein provided, and that the par value of the said shares shall be \$100 each, and that scrip for fractions of shares shall be issued to such persons as are entitled thereto under said scheme.' This declaration is now submitted in form in order that the stockholders may see that the trustees, in the exercise of the authority given them, have changed the par of the stock of this Company, both common and preferred, making it \$100 per share."

W. E. Sims, of Pittsylvania, moved that a Committee

of Three be appointed to examine and report upon proxies, which was adopted, and the Chair appointed Messrs. W. E. Sims, W. H. Payne and Peter J. Otey, who retired and in a short time reported, through their Chairman, Mr. Sims, orally, as follows:

Whole number of votes upon the roll.....	39,804
Present in person or by proxy.....	37,030

Whereupon the Report of the Committee was received and adopted, and the Chairman announced that the meeting was ready to proceed to business.

C. M. Blackford moved that a Committee of Five be appointed for the purpose of drafting a Code of By-Laws for the governing of the Company, which was carried, and the Chair appointed Messrs. C. M. Blackford, W. H. Payne, J. Willeox Brown, R. A. Coghill and Jas. M. Booker.

The Committee on By-Laws, through their Chairman, C. M. Blackford, reported the following, which on motion, were unanimously adopted:

BY-LAWS OF THE VIRGINIA MIDLAND RAILWAY COMPANY.

ARTICLE I. The annual meetings of the Stockholders of the Company shall be held at such time and place during the month of February in each year as the Directory may appoint. Extra meetings of the Stockholders shall be called by the Directory upon the application in writing of Stockholders holding in the aggregate one-tenth of the capital stock of the Company. Of such meetings at least twenty-one days notice shall be given by weekly publication in such newspapers as the President may designate. If on the day appointed a quorum is not present, any number of persons exceeding five-representing at least five hundred shares of stock, may adjourn from day to day without further notice until a quorum is obtained.

ARTICLE II. A general meeting of Stockholders may be held at any time upon the call of the Board of Directors, or of Stockholders holding together one-tenth of the capital stock, upon their giving notice of the time and place of such meeting for thirty days in a newspaper published in or near the place at which the last annual meeting was held; and if on the day appointed a quorum is not present, adjournments may be had from day to day until one is obtained as provided above in case of annual meetings.

ARTICLE III. The fiscal year of the Company shall end on the thirty-first of December in each year.

ARTICLE IV. The meetings of the Stockholders shall be organized by the appointment of a chairman who shall be designated by the President if present, or if not, by some Director of the Company, and they shall be attended by the Secretary of the Company, or such secretary *pro tempore* as they shall, from time to time, appoint. The proceedings of each day shall be verified by the signature of the Chairman.

ARTICLE V. The ayes and noes upon any question shall be spread upon the

journal whenever required by ten Stockholders, either in person or by proxy, representing not less than five hundred shares of stock.

ARTICLE VI. All powers appointing proxies to represent Stockholders at a general meeting must be signed by the Stockholder and attested by one witness; those of corporations under their corporate seal, and signed by the proper officer. At every meeting of the Stockholders a committee shall be appointed to examine such powers as may have been given by any Stockholders to represent them, and no proxy shall give a vote as such until, by the report of the committee and decision of the meeting thereupon, it shall be ascertained that he is properly authorized by a power as herein required.

ARTICLE VII. No person shall act as proxy representing stock in this Company unless such person be himself, or in a fiduciary character, a stockholder, except in the case of the proxies of cities, towns, corporations or counties holding stock in the Company.

ARTICLE VIII. A roll of the Stockholders, in alphabetical order, together with the number of shares held by each, and the number of votes to which each is entitled, shall be made by the Secretary and laid before the Stockholders at each meeting.

ARTICLE IX. In a meeting of the Stockholders every resolution must be reduced to writing.

ARTICLE X. The report of the President and Directors, and all other reports made to any meeting of the Stockholders, shall be referred to a committee of five Stockholders, who shall examine the same and report thereon to the meeting.

ARTICLE XI. The administration of the affairs of the Company shall be vested in the President and fourteen Directors, all of whom shall be elected annually by the Stockholders by ballot.

ARTICLE XII. The President and Directors of the Company shall meet for the transaction of business at the office of the Company, or at such other place as they may direct, as often as they may judge proper; and also whenever summoned by the President or any three Directors. The Board may appoint such committees from its own members as may be deemed by it expedient, and delegate to such committees such of its powers and duties as it may deem advisable.

ARTICLE XIII. The President and Directors shall prepare and submit to the Stockholders at each annual meeting a report giving an accurate account of the affairs of the Company, and disclosing in detail all such matters as may be necessary to a true understanding of its financial condition and its prospects for the future.

ARTICLE XIV. The President shall, under the direction of the Board, supervise the general affairs of the Company, and do all other acts incident to the office of President in a corporation of this character.

ARTICLE XV. The Board of Directors shall have power to appoint all such officers and employ such persons as it may deem necessary for the conduct of the business of the Company, and designate their duties and compensation, and the penalty of their official bonds, when bonds are required.

ARTICLE XVI. The salary of the President shall be six thousand dollars, and his necessary traveling expenses.

ARTICLE XVII. The stock of the Company shall be transferred only on the books of the Company by the Stockholder himself in person, or by his attorney in fact, duly constituted according to such form as the Board may prescribe, and the books of transfer shall be closed fifteen days prior to any general meeting of the Stockholders.

ARTICLE XVIII. No By-Law of this Company shall be amended or repealed except by a vote of three-fifths of the number of shares represented at the time of acting on the same.

Mr. R. H. T. Adams, of Lynchburg, moved to go into an election of officers, but withdrew the motion temporarily at the request of W. E. Sims, who offered the following resolution :

Resolved, That in the election of Directors for the ensuing year, seven of those chosen shall be residents of the State of Virginia."

Mr. Sims having withdrawn his resolution, Mr. Adams renewed his, to go into an election of officers, which was adopted.

J. Willeox Brown, of Baltimore, nominated Hon. John S. Barbour for President. As there was no other nomination, Mr. M. B. Harlow, of Alexandria, moved that the Chairman cast the ballot. The Chairman appointed Messrs. R. H. T. Adams and H. A. Garden tellers; and, upon the ballot being cast, declared Mr. Barbour unanimously elected President of the Company.

W. H. F. Lee nominated the following gentlemen for Directors: C. G. Holland, of Danville; Chas. M. Blackford, of Lynchburg; Robt. A. Coghill, of Amherst County; Wm. H. Payne, of Fauquier County; John T. Lovell, of Warren County; Jno. W. Burke, of Alexandria; Robt. T. Baldwin, J. Willeox Brown, Robert Garrett, Osmin Latrobe, James Sloan, Jr., Wm. Keyser, Jno. K. Cowen and Wm. F. Frick, of Baltimore.

There being no other nominations, Mr. M. B. Harlow moved that the ballot be cast by the Chairman, who appointed Messrs. R. H. T. Adams and H. R. Garden tellers; and, having cast the ballot, declared all the gentlemen nominated unanimously elected Directors of the Company.

F. L. Brockett, Esq., of Alexandria, moved that a Committee of Three be appointed by the Chairman to inform Mr. Barbour of his election, which was adopted, and the Chair appointed Gen. W. H. F. Lee, Mr. Wm. Keyser and Col. W. E. Sims.

W. E. Sims offered the following resolution, which was adopted :

Resolved, That the necessary expenses incurred by the Directors while in the discharge of their duties be paid by the Company."

H. A. Garden, of Warrenton, offered the following resolution, which was unanimously adopted—receiving the 37,030 of votes present, represented in person or by proxy, out of the entire number of votes upon the roll, (39,804), as reported by the Committee on Proxies:

Resolved, That the Board of Directors be, and hereby are, authorized and empowered to cause to be made any branch railroad or lateral work authorized by law which it may deem best for the interest and development of the Company."

W. H. F. Lee, of the Committee appointed to notify Mr. Barbour of his election to the presidency of the Company, reported that they had discharged that duty, and that Mr. Barbour was now present.

The Chairman announced the fact and expressed personally his gratification at the election.

Mr. Barbour, upon being introduced to the meeting, said:

"That he had been advised by the Committee of his unanimous election as President of the Company, and arose to return his sincere thanks for the high compliment conveyed, as well as for the manner in which the stockholders had selected him as President of the new organization. The position was not a new one to him. He had been President of the old Orange and Alexandria Railroad Company nearly from its incorporation, and subsequently also of the Orange, Alexandria and Manassas Railroad Company; of the Lynchburg and Danville Railroad Company, and finally of the Washington City, Virginia Midland and Great Southern Railroad Company, after the consolidation of the first named Companies. The duties of the office were consequently not new to him. Perhaps the reference to his past railroad experience, in view of the disaster that had befallen the old Company, might not furnish a reason for the present appointment, and, indeed, he felt a diffidence himself in taking the position again. He did not, however, regard himself in any way responsible for that disaster, or for the inability of the Company to maintain its credit at a period when all the Railroad Companies of the country, great and small, had to encounter the depression succeeding the financial panic of September, 1873, and to which most of the leading Railroad Companies in Virginia had to succumb. In that crisis even the market value of the stocks of the great Baltimore and Ohio Railroad Company and other leading trunk lines of the country were greatly depreciated under the pressure referred to. Your old Company struggled under a debt then that other railroads extending through a much more densely populated country than Virginia, and with much larger resources of business would have been unable to carry. In this connection it is proper to state that the relations of your line of railway to other lines of railroad in Virginia, and its possibilities for traffic, should be duly considered. While our line traverses one of the most important sections of the State, extending from the Potomac to the borders of North Carolina, it crosses at interior points the Chesapeake and Ohio Railway (at Charlottesville) and the Atlantic, Mississippi and Ohio Railroad (at Lynchburg), and meets at its southern terminal point, Danville, the Richmond and Danville Railroad Company, and neces-

sarily comes in conflict at the points referred to with all the Companies mentioned for through traffic, it being to their interest to transport beyond to their own terminal points. The weak point of this Railroad Company has always been that its situation could never command through tonnage, and was forced to rely solely for its freights upon its local territory. Narrowed and restricted by these causes, the former policy of the Company was necessarily confined to local development and to the encouragement of such material interests as the country along the line of the Railroad afforded. In the direction referred to the energies and intelligence of the late management were zealously applied, and it is believed, and indeed may be confidently stated, that policies were adopted the results of which are already realized in the large increase of local tonnage and the promise of still more important results. The reference is here more particularly to the iron ore development along the line of this Road. In corroboration of this view, Mr. Barbour referred to the fact that in 1860 the number of tons of freight transported was 34,904; in 1870, 121,911 tons; and in 1880, 252,545 tons; while the passenger business from 1860 to 1880 had been doubled. The Railroad is to-day physically a more valuable property than at any former period of its history. The equipment has been enlarged and the track now contains 101 miles of steel rails and 57 miles of new iron rails, with the residue of its 232½ miles of main line of iron rails in good condition, which can be gradually renewed with steel as circumstances may require. About ninety miles of the main line have been ballasted with broken stone of excellent quality, and about the same distance with gravel and sand. With comparatively small expense the residue of the line will be ballasted during the current year. In taking its new departure, the great aim and object of the organization ought to be to foster and encourage the development of the local material interests of the line and terminal cities, and to adopt the necessary measures to assert its independence for through business, by proper extension of its line Southward, and to give this line of Railway the proportions which its geographical advantages entitle it to possess. Mr. Barbour urged that the Baltimore representatives who have come into the new organization as Directors of the Company, with their large means and ample capital, should not only see that this line of Railway does not stop at Danville and its independence for through traffic with the South secured thereby, but should also lend their efforts, as far as practicable towards the local development of the country, and its material interests, through which the Road passes and at its terminal points. In the light of this policy Mr. Barbour believed that the Company will eventually enter upon a career of great prosperity and become the Great Trunk Railway Line of the South."

Mr. Wm. Keyser, Second Vice-President of the Baltimore and Ohio Company, followed :

He commenced by complimenting the administration of Mr. Barbour in the past, and said that the fact that the road was compelled, in order to protect all interests during a period of unexampled depression, to place its property in the hands of a receiver, by no means argues a want of administrative ability on the part of its managers. The road, he continued, "emerged from the late civil war almost destroyed, its physical condition wrecked, and the country through which it passed rendered desolate by the continuous tread of contending armies. The country along the line had been depopulated, the property destroyed, and a large portion of the land, from lack of tillage, had become unproductive, and had lapsed back into its primeval condition. It took time to repopulate and to rebuild what had been destroyed, during which the necessary outlay for rebuilding the road and providing new equipment had to be incurred, interest obligations met or arranged for, and innumerable financial obstacles surmounted. In fact all the difficulties which surrounded the material reconstruction of the State of Virginia had to be one by one encountered by this Company, and it would appear as if

nothing had stood by the road save its debts and obligations. The dawn of prosperity had scarcely appeared when the great financial revulsion of 1873 affected this property in common with all similar interests in the country, and particularly in the South. It is fitting and gratifying to the owners of the property at this time to express their confidence in Mr. Barbour by electing him President of the reorganized corporation, and on behalf more particularly of those large interests represented in Baltimore, I desire here to express to him their appreciation of his past services. He has expressed the hope that the new administration will be distinguished by its zeal and success in building up the local interests along the line, as well as extending its connections, so that the road hereafter will justly be entitled to the position of one of the trunk lines of the Southern country. I am glad to have the opportunity, especially in view of the resolution offered by the gentleman from Pittsylvania county, to state to the Stockholders that I believe it will be the effort of the incoming administration to so conduct the affairs of the Virginia Midland Railway Company as will best serve and build up all the interests identified with its line. I think that a glance at the map before us must satisfy you Virginia Stockholders that whilst myself and friends, coming from the other side of the Potomac, may be said to be strangers, our interests are identical with yours, and that the States of Virginia and Maryland in all that concerns their internal improvements and material interests are to-day one, as much so as they have been in the past in their sympathies and traditions. I feel confident that our Virginia friends, whilst recognizing that the control of this corporation has to some extent passed out of their hands, will have no occasion to regret the change. The success of the road must be identified with the prosperity and growth of all the local interests along its line. The arrangements which we have consummated to-day, whereby the entire indebtedness of the Company has been placed upon a firm basis and the rights of Bondholders and Stockholders all alike protected, has been one of no uncommon labor, and must result in important and permanent benefit; and it is gratifying to know that the reorganized Company starts out relieved of all the embarrassments which in the past have so largely contributed to the care and anxiety of its managers and so crippled it in its efforts to develop the great material interests within its reach. I trust when the next annual meeting takes place, by which time the new administration will have had some opportunity of developing its policy, that you gentlemen who represent the Virginia interests in the road will have every reason to feel satisfied with your action here to-day, and that all apprehension, if any exists, that the affairs of the Company will be managed less in the interests of your State and people than heretofore, will prove to be groundless."

C. M. Blackford offered the following preamble and resolutions, which were unanimously adopted :

WHEREAS, At a sale made by John S. Barbour, Commissioner in the suit of Graham vs. The Washington City, Virginia Midland & Great Southern Railroad Company, on the 20th day of December, 1880, of the property, works and franchises of said Washington City, Virginia Midland & Great Southern Railroad Company, R. T. Baldwin, J. Willcox Brown and Robert Garrett became the purchasers thereof, and made such purchase as the trustees or agents of an association of creditors of said Company, in trust that after making such purchase they should organize a new Company upon certain terms and conditions set forth in the articles of association of said creditors;

And whereas, said Trustees have organized a new Company under the style and corporate name of "THE VIRGINIA MIDLAND RAILWAY COMPANY," which Company is that by which these resolutions are passed;

And whereas, it was further agreed and determined in the said articles of agreement and association of the creditors of said Washington City, Virginia

Midland & Great Southern Railroad Company, that upon the organization and creation of said new Company, it should proceed immediately to execute the following mortgages and bonds in the manner, number, and for the purposes therein set forth, to-wit:

1. A first mortgage upon the road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville & Rapidan Railroad, and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds payable twenty-five years after date, with interest, at the rate of six per centum per annum, with coupons for such interest payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and coupons secured under the first mortgage, so called, of the Orange & Alexandria Railroad Company, dated October 2d, 1851; such issue to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates, and coupons, as may be surrendered to be cancelled, in exchange for the said new bonds, with all interest which may be due on said bonds and certificates up to the 1st of July, 1880, calculated at the rate of six per cent. per annum only.

2. A second mortgage, which shall be a first lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a second lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad and the Warrenton Branch, and upon all its personal property and the franchises, tolls and revenues of those Roads, to secure its bonds, payable thirty years after date, with interest at the rate of six per cent. per annum, with coupons for such interest, payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest and coupons, secured under the second mortgage, so-called, of the Orange & Alexandria Railroad Company, dated January 1, 1855; such issue to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates and coupons, as may be surrendered to be cancelled, in exchange for the said new bonds, with all interest which may be due on said bonds and certificates up to July 1, 1880, calculated at the rate of six per centum per annum only.

3. A third mortgage, which shall be a second lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a third lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds, payable thirty-five years after date, with interest at the rate of five per centum per annum for the first five years of the duration of said bonds, and of six per centum per annum for the remaining thirty years thereof, with coupons for such interest payable semi-annually accordingly; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and unpaid coupons or interest on such bonds, up to the 1st of May, 1875, secured under the third mortgage, so-called, of the Orange and Alexandria Railroad Company, dated the 30th April, 1858, who may give their assent in writing to the scheme of reorganization; and also to the Baltimore and Ohio Railroad Company for the amount of the preferred lien of the State of Virginia under that mortgage, as ascertained by the account rendered by the State at the time of the sale of its interests therein, on the 17th day of October, 1872, to-wit, the sum of \$263,405.97. The bonds to be issued to the Baltimore & Ohio Railroad Company, as the claimant of said amount, and of a preferred lien therefor, to be placed upon a footing of equality with the other bonds to be issued under the third mortgage, hereby provided for; such issue to be confined in amount to the said claim of the Baltimore & Ohio Railroad Company, and the principal of all such original bonds, and the funded interest bonds, and certificates,

and unpaid coupons or interest as aforesaid, as may be surrendered to be cancelled in exchange for the said new bonds.

4. A fourth mortgage, which shall be a third lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a fourth lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds, payable forty years after date, with interest at the rate of three per centum per annum for the first ten years of the duration of said bonds, and of four per centum per annum for the next ten years, and of five per centum per annum for the remaining twenty years thereof, with coupons for such interest, payable semi-annually accordingly; such bonds to be issued to all holders of original bonds and of bonds and certificates issued to fund past interest and unpaid coupons or interest on such bonds and certificates up to March the 1st, 1875, secured under the fourth mortgage, so-called, of the Orange & Alexandria Railroad Company, dated the 1st of December, 1860, who may give their assent in writing to the scheme of reorganization. The issue of bonds under this mortgage to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates, and unpaid coupons or interest as aforesaid, as may be surrendered, to be cancelled in exchange for the said new bonds.

5. A mortgage, which shall be a first lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Manassas Junction and Harrisonburg, including the Front Royal Branch, and the lease of the road from Harrisonburg to Strasburg to the Baltimore & Ohio Railroad Company, and a fifth lien upon all its personal property, and upon the Road and fixed property, franchises, tolls and revenues of the Company, between Alexandria and Gordonsville, including the Warrenton Branch, the lease of and property in the Charlottesville & Rapidan Railroad, and a fourth lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Charlottesville and Lynchburg, to secure its bonds, payable forty-five years after date, with interest at the rate of five per centum per annum, with coupons for such interest payable semi-annually; such bonds to be issued to all holders of bonds and unpaid coupons on such bonds up to January the 1st, 1878, secured under the first mortgage, so-called, of the Orange, Alexandria & Manassas Railroad Company, dated July the 1st, 1867, who may give their assent in writing to this scheme of reorganization; and also to all holders of the bonds and coupons of the Manassas Gap Railroad Company, secured under the mortgage of that Company, dated January the 1st, 1855, with all the interest which may be due on such bonds up to July the 1st, 1880, calculated at the rate of six per centum per annum only, with the understanding that in all cases where such bonds and coupons of the Manassas Gap Railroad Company shall be held as collateral security, the amount to be secured by new bonds shall be only the indebtedness, with six per centum interest up to July the 1st, 1880, for which such bonds and coupons shall have been pledged as security, unless the amount of such indebtedness shall exceed the sum of such bonds, coupons and interest as aforesaid, and in order to secure to all holders of such bonds of the Manassas Gap Railroad Company, interest at the rate of six per centum per annum, upon the amounts of their respective claims as aforesaid, the said claims shall be capitalized in the issue of the new bonds under the mortgage provided for in this clause, so as to yield all such holders six per centum per annum on their respective claims as aforesaid: *Provided, however,* That when said Manassas Gap Railroad bonds, coupons and interest as aforesaid shall be held as collateral security for a debt which, with interest thereon as aforesaid, is less than the amount of such bonds, coupons and interest as aforesaid, and other collaterals shall be also held for such indebtedness, all the said collaterals shall be surrendered to be cancelled, together with such Manassas Gap bonds and coupons.

The issue of bonds under this mortgage to be confined in amount to the sum of all claims of holders of the Manassas Gap mortgage bonds and coupons, capitalized as hereinbefore provided, and of all such first mortgage bonds of the Orange, Alexandria & Manassas Railroad Company, and unpaid coupons as aforesaid, as may be surrendered to be cancelled in exchange for such new bonds. The Baltimore & Ohio Railroad Company having agreed to renew, at the present rental, its lease of the Road from Strasburg to Harrisonburg, with proper covenants for repairs by the Baltimore & Ohio Railroad Company, the said mortgage herein provided for shall be subsequent to said lease, and cover all interest therein. And said rental, when paid to the lessor, shall be dedicated to the payment of the coupons upon said bonds, so far as may be necessary, as they may become due.

6. A mortgage, which shall be a first lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Lynchburg and Danville (including the Pittsville Branch and the lease of and property in the Narrow Gauge Railroad from Pittsville to Rocky Mount, known as the Franklin & Pittsylvania Railroad,) to secure its bonds, payable fifty years after date, with interest at the rate of four per centum per annum for the first eight years of the duration of said bonds and of five per centum per annum for the remaining forty-two years thereof, with coupons for such interest, payable semi-annually accordingly. Such bonds to be issued to all holders of bonds and coupons, secured under the mortgage made by the Lynchburg & Danville Railroad Company, dated April the 1st, 1871, who may give their assent in writing to the scheme of reorganization, and to be limited in amount to the principal of all bonds secured under the mortgage aforesaid of the Lynchburg & Danville Railroad, but to be distributed among all holders of bonds and coupons secured under said mortgage in proportion to their respective holdings thereof, whether of bonds or coupons; and in ascertaining such proportions, interest shall be allowed at the rate of six per centum per annum, upon all such holdings, up to July the 1st, 1879.

And whereas, it is desired to carry out the terms and conditions of said agreement of association and to cause the several classes of bonds named therein, and the mortgages securing the same, to be duly executed, issued and delivered, in the manner and to the persons specifically set forth in the above description of the proposed bonds and deeds of trust, as modified by the authorized action of said Trustees, in extending the time within which creditors of said Washington City, Virginia Midland and Great Southern Railroad Company might make themselves parties to said scheme of reorganization and association.

Now, therefore, be it Resolved by the Stockholders of the Virginia Midland Railway Company, in general meeting assembled:

I. That the President and Board of Directors be, and hereby are, authorized, empowered and directed to cause to be executed and issued in the name of this Company, and under its corporate seal, its coupon bonds for such amount, payable at such times, of such date, denomination and priorities, bearing such rate of interest, and in every respect of such form, class and character as to fulfill, as far as practicable, the terms and conditions of said articles of association of the creditors of the Washington City, Virginia Midland & Great Southern Railroad Company, as set forth in the preamble to these resolutions; and the President and Board of Directors are further authorized and directed to deliver said bonds when executed to the persons who under said terms of associations of creditors may be respectively entitled thereto.

II. That the President and Board of Directors be and hereby are directed and empowered to cause to be prepared and executed under the signature of the President and seal of this Company, and duly delivered and recorded, such deed or deeds of trust as may be requisite to secure respectively the

several classes of bonds, the execution and issuing of which is provided for in the last resolution, upon the different divisions or sections of the property, works and franchises of this Company, in the manner and according to the terms and conditions set forth in said articles of association of said creditors and recited in the preamble to these resolutions.

J. Willcox Brown, of Baltimore, offered the following resolution, which was amended on motion of W. C. Sims by inserting the words "whether evidenced by certificates of stock or otherwise," and then unanimously adopted :

Resolved, That all persons who, under the scheme of reorganization, had a right to become either Bondholders or Stockholders prior to January 1st, 1881, including the Stockholders in the Orange and Alexandria, Orange, Alexandria and Manassas, Lynchburg and Danville, and Washington City, Virginia Midland and Great Southern Railroad Companies, whether evidenced by certificates of stock or otherwise, and who may desire to do so, shall be admitted to such privilege, subject to such conditions and limitations as the Board of Directors may prescribe, and this shall apply to those entitled to the first and second preferred stock as well as to those entitled to common stock.

H. A. Garden offered the following resolution, which was unanimously adopted :

Resolved, That the thanks of the Stockholders are hereby cordially tendered to Messrs. Robert T. Baldwin, J. Willcox Brown and Robert Garrett, the Committee of Purchase and Reorganization, for the exceedingly able and efficient manner in which they have discharged the onerous duties which devolved upon them, this day crowned with success.

On motion of John S. Barbour, it was ordered that one thousand copies of the proceedings of this meeting, including the by-laws, be printed for the information of the Stockholders.

The meeting then, on motion of Peter J. Otey, of Lynchburg, adjourned *sine die*.

ROBERT T. BALDWIN, Chairman.

L. W. REID, Secretary.

DEED OF TRUST

FROM THE VIRGINIA MIDLAND RAILWAY COMPANY TO ROBERT T. BALDWIN, J. WILLCOX BROWN AND ROBERT GARRETT, TRUSTEES, DATED MARCH 1, 1881.

THIS DEED, made this first day of March, eighteen hundred and eighty-one, between THE VIRGINIA MIDLAND RAILWAY COMPANY, a Company created, organized and existing, under and by virtue of the laws of the State of Virginia, of the first part, and ROBERT T. BALDWIN, J. WILLCOX BROWN and ROBERT GARRETT, of the city of Baltimore in the State of Maryland, Trustees for the uses and purposes hereinafter stated, of the second part:

WHEREAS, The Virginia Midland Railway Company is the owner of certain real and personal property lying and being in the State of Virginia, and particularly described in the granting part of this Deed, which may now be generally described as a continuous line of railway from the city of Alexandria to the town of Gordonsville; from the town of Charlottesville to the city of Danville, and from the town of Manassas to the town of Harrisonburg, with branches from said main lines to Warrenton, in Fauquier county, Front Royal in Warren county, and Pittsville, in Pittsylvania county; together with all the properties, works, rolling stock, rights and franchises thereto pertaining; and also is the holder, as lessee, of a continuous line of railway, its property, works and franchises, from Orange Court House to the town of Charlottesville, under the terms and conditions set forth in a certain contract, dated on the sixth day of June, 1878, between JOHN S. BARBOUR, Receiver in the suit of Graham &c. vs. The Washington City, Virginia Midland & Great Southern Railroad Company, now pending in the Circuit Court of the city of Alexandria, of the one part, and the Charlottesville & Rapidan Railroad Company, of the other,

which contract was duly approved and confirmed by a decree in said cause, and has been affirmed by a decree of the Supreme Court of Appeals of Virginia in an appeal taken in said cause by a certain F. E. Gibert; and is also the holder, as lessee, of a continuous line of Narrow-Gauge Railway from Pittsville, in the county of Pittsylvania, to Rocky Mount, in the county of Franklin, with the properties, works, franchises and rolling stock thereto pertaining, upon the terms and conditions set forth in a certain contract, bearing date September 19th, 1878, between John S. Barbour, Receiver in the said suit of Craham &c. *vs.* The Washington City, Virginia Midland & Great Southern Railroad Company, and the Franklin & Pittsylvania Railroad Company, which contract was also duly approved and confirmed in said cause, and has been affirmed by the Supreme Court of Appeals of Virginia; and is also the lessor to the Baltimore & Ohio Railroad Company of so much of its line, heretofore named, as lies between the town of Harrisonburg in the county of Rockingham, and the town of Strasburg in the county of Shenandoah, upon the terms and conditions set forth in a certain contract between the Washington City, Virginia Midland & Great Southern Railroad Company, and the Baltimore & Ohio Railroad Company, dated August 20th, 1873, of all which leases and contracts the said Virginia Midland Railway Company is the holder and assignee under and by virtue of a conveyance made to it by John S. Barbour, who was, by a decree rendered in said cause on the 30th of December, 1880, appointed a Special Commissioner to convey the same to said Company as purchaser at the sale made on the 20th day of December, 1880, in pursuance of a previous decree in said cause, which conveyance is dated January the first, 1881.

AND WHEREAS, The Stockholders of said Virginia Midland Railway Company, at a general meeting, held in the city of Alexandria, on the first of February, 1881, adopted the following preamble and resolutions, to-wit:

WHEREAS, At a sale made by John S. Barbour, Commissioner in the suit of Graham *vs.* The Washington City, Virginia Midland & Great Southern Rail-

road Company, on the 20th day of December, 1880, of the property, works and franchises of said Washington City, Virginia Midland & Great Southern Railroad Company, R. T. Baldwin, J. Willcox Brown and Robert Garrett became the purchasers thereof, and made such purchase as the trustees or agents of an association of creditors of said Company, in trust that after making such purchase they should organize a new Company upon certain terms and conditions set forth in the articles of association of said creditors;

And whereas, said Trustees have organized a new Company under the style and corporate name of "THE VIRGINIA MIDLAND RAILWAY COMPANY," which Company is that by which these resolutions are passed;

And whereas, it was further agreed and determined in the said articles of agreement and association of the creditors of said Washington City, Virginia Midland & Great Southern Railroad Company, that upon the organization and creation of said new Company, it should proceed immediately to execute the following mortgages and bonds in the manner, number, and for the purposes therein set forth, to-wit :

1. A first mortgage upon the road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville & Rapidan Railroad, and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds payable twenty-five years after date, with interest, at the rate of six per centum per annum, with coupons for such interest payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and coupons secured under the first mortgage, so-called, of the Orange & Alexandria Railroad Company, dated October 23, 1851; such issue to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates, and coupons, as may be surrendered to be cancelled, in exchange for the said new bonds, with all interest which may be due on said bonds and certificates up to the 1st of July, 1880, calculated at the rate of six per centum per annum only.

2. A second mortgage, which shall be a first lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a second lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad and the Warrenton Branch, and upon all its personal property and the franchises, tolls and revenues of those Roads, to secure its bonds, payable thirty years after date, with interest at the rate of six per centum per annum, with coupons for such interest, payable semi-annually; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest and coupons, secured under the second mortgage, so-called, of the Orange & Alexandria Railroad Company, dated January 1, 1855; such issue to be confined in amount to the principal of all such original bonds, and the funded interest bonds and certificates and coupons, as may be surrendered to be cancelled, in exchange for the said new bonds, with all interest which

may be due on said bonds and certificates up to July 1, 1880, calculated at the rate of six per centum per annum only.

3. A third mortgage, which shall be a second lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a third lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds, payable thirty-five years after date, with interest at the rate of five per centum per annum for the first five years of the duration of said bonds, and of six per centum per annum for the remaining thirty years thereof, with coupons for such interest payable semi-annually accordingly; such bonds to be issued to all holders of original bonds, and of bonds and certificates issued to fund past interest, and unpaid coupons or interest on such bonds, up to the 1st of May, 1875, secured under the third mortgage, so-called, of the Orange & Alexandria Railroad Company, dated the 30th April, 1858, who may give their assent in writing to the scheme of reorganization; and also to the Baltimore & Ohio Railroad Company for the amount of the preferred lien of the State of Virginia under that mortgage, as ascertained by the account rendered by the State at the time of the sale of its interest therein, on the 17th day of October, 1872, to-wit, the sum of \$263,405.97. The bonds to be issued to the Baltimore & Ohio Railroad Company, as the claimant of said amount, and of a preferred lien therefor, to be placed upon a footing of equality with the other bonds to be issued under the third mortgage, hereby provided for; such issue to be confined in amount to the said claim of the Baltimore & Ohio Railroad Company, and the principal of all such original bonds, and the funded interest bonds, and certificates, and unpaid coupons or interest as aforesaid, as may be surrendered to be cancelled in exchange for the said new bonds.

4. A fourth mortgage, which shall be a third lien upon the Road and fixed property of the Company between Charlottesville and Lynchburg, and a fourth lien upon the Road and fixed property of the Company between Alexandria and Gordonsville, including the lease of and property in the Charlottesville & Rapidan Railroad and the Warrenton Branch, and upon all its personal property, and the franchises, tolls and revenues of those Roads, to secure its bonds, payable forty years after date, with interest at the rate of three per centum per annum for the first ten years of the duration of said bonds, and of four per centum per annum for the next ten years, and of five per centum per annum for the remaining twenty years thereof, with coupons for such interest, payable semi-annually accordingly; such bonds to be issued to all holders of original bonds and of bonds and certificates issued to fund past interest and unpaid coupons or interest on such bonds and certificates up to March the first 1875, secured under the fourth mortgage, so-called, of the Orange & Alexandria Railroad Company, dated the first of December, 1860, who may give their assent in writing to the scheme of reorganization. The issue of bonds under this mortgage to be confined in amount to the principal of all such original bonds, and

the funded interest bonds and certificates, and unpaid coupons or interest as aforesaid, as may be surrendered to be cancelled in exchange for the said new bonds.

5. A mortgage, which shall be a first lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Manassas Junction and Harrisonburg, including the Front Royal Branch, and the lease of the road from Harrisonburg to Strasburg to the Baltimore & Ohio Railroad Company, and a fifth lien upon all its personal property, and upon the Road and fixed property, franchises, tolls and revenues of the Company, between Alexandria and Gordonsville, including the Warrenton Branch, the lease of and property in the Charlottesville & Rapidan Railroad, and a fourth lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Charlottesville and Lynchburg, to secure its bonds, payable forty-five years after date, with interest at the rate of five per centum per annum, with coupons for such interest payable semi-annually; such bonds to be issued to all holders of bonds and unpaid coupons on such bonds up to January the first, 1878, secured under the first mortgage, so-called, of the Orange, Alexandria & Manassas Railroad Company, dated July the first, 1867, who may give their assent in writing to the scheme of reorganization; and also to all holders of the bonds and coupons of the Manassas Gap Railroad Company, secured under the mortgage of that Company, dated January the first, 1855, with all the interest which may be due on such bonds up to July the first, 1880, calculated at the rate of six per centum per annum only, with the understanding that in all cases where such bonds and coupons of the Manassas Gap Railroad Company shall be held as collateral security, the amount to be secured by the new bonds shall be only the indebtedness, with six per centum interest up to July the first, 1880, for which such bonds and coupons shall have been pledged as security, unless the amount of such indebtedness shall exceed the sum of such bonds, coupons and interest as aforesaid, and in order to secure to all holders of such bonds of the Manassas Gap Railroad Company interest at the rate of six per centum per annum upon the amounts of their respective claims as aforesaid, the said claims shall be capitalized in the issue of the new bonds under the mortgage provided for in this clause, so as to yield all such holders six per centum per annum on their respective claims as aforesaid: *Provided, however,* That when said Manassas Gap Railroad bonds, coupons and interest as aforesaid shall be held as collateral security for a debt which, with interest thereon as aforesaid, is less than the amount of such bonds, coupons and interest as aforesaid, and other collaterals shall be also held for such indebtedness, all the said collaterals shall be surrendered to be cancelled, together with such Manassas Gap bonds and coupons.

The issue of bonds under this mortgage to be confined in amount to the sum of all claims of holders of the Manassas Gap mortgage bonds and coupons, capitalized as hereinbefore provided, and of all such first mortgage bonds of the Orange, Alexandria & Manassas Railroad Company, and unpaid coupons as aforesaid, as may be surrendered to be cancelled in exchange for such new bonds. The Baltimore & Ohio Railroad Company having agreed to renew, at

the present rental, its lease of the Road from Strasburg to Harrisonburg, with proper covenants for repairs by the Baltimore & Ohio Railroad Company, the said mortgage herein provided for shall be subsequent to said lease, and cover all interest therein. And said rental, when paid to the lessor, shall be dedicated to the payment of the coupons upon said bonds, so far as may be necessary, as they may become due.

6. A mortgage, which shall be a first lien upon the Road and fixed property, franchises, tolls and revenues of the Company, between Lynchburg and Danville (including the Pittsville Branch and the lease of and property in the Narrow Gauge Railroad from Pittsville to Rocky Mount, known as the Franklin & Pittsylvania Railroad), to secure its bonds, payable fifty years after date, with interest at the rate of four per centum per annum for the first eight years of the duration of said bonds, and of five per centum per annum for the remaining forty-two years thereof, with coupons for such interest, payable semi-annually accordingly. Such bonds to be issued to all holders of bonds and coupons, secured under the mortgage made by the Lynchburg & Danville Railroad Company, dated April the first, 1871, who may give their assent in writing to the scheme of reorganization, and to be limited in amount to the principal of all bonds secured under the mortgage aforesaid of the Lynchburg & Danville Railroad, but to be distributed among all holders of bonds and coupons secured under said mortgage in proportion to their respective holdings thereof, whether of bonds or coupons; and in ascertaining such proportions, interest shall be allowed at the rate of six per centum per annum, upon all such holdings, up to July the first, 1879.

And whereas, it is desired to carry out the terms and conditions of said agreement of association, and to cause the several classes of bonds named therein, and the mortgages securing the same, to be duly executed, issued and delivered, in the manner and to the persons specifically set forth in the above description of the proposed bonds and deeds of trust, as modified by the authorized action of said Trustees, in extending the time within which creditors of said Washington City, Virginia Midland & Great Southern Railroad Company might make themselves parties to said scheme of reorganization and association.

Now, therefore, be it Resolved by the Stockholders of the Virginia Midland Railway Company, in general meeting assembled:

I. That the President and Board of Directors be, and hereby are, authorized, empowered and directed to cause to be executed and issued in the name of this Company, and under its corporate seal, its coupon bonds for such amount, payable at such times, of such date, denomination and priorities, bearing such rate of interest, and in every respect of such form, class and character as to fulfill, as far as practicable, the terms and conditions of said articles of association of the creditors of the Washington City, Virginia Midland & Great Southern Railroad Company, as set forth in the preamble to these resolutions; and the President and Board of Directors are further authorized and directed

to deliver said bonds when executed to the persons who under said terms of association of creditors may be respectively entitled thereto.

II. That the President and Board of Directors be, and hereby are, directed and empowered to cause to be prepared and executed under the signature of the President and seal of this Company, and duly delivered and recorded, such deed or deeds of trust as may be requisite to secure respectively the several classes of bonds, the execution and issuing of which is provided for in the last resolution, upon the different divisions or sections of the property, works and franchises of this Company, in the manner and according to the terms and conditions set forth in said articles of association of said creditors, and recited in the preamble to these resolutions.

AND WHEREAS, At a meeting of the Board of Directors of The Virginia Midland Railway Company, held in the city of Alexandria on the twenty-third day of February, 1881, it was

Resolved, I. That in obedience to the directions contained in certain resolutions, passed by the stockholders of this Company at a general meeting held in the city of Alexandria on the first day of February, 1881, and by virtue of the authority conferred thereby, the President of this Company is instructed and authorized to execute in the name of this Company, under his hand as its President and its corporate seal, such bonds as in said resolutions are authorized and directed, with coupons for interest thereto attached, payable semi-annually; which said several classes of bonds shall be in amount, number, denomination, date, time payable, rate of interest, form and character, as follows:

FIRST SERIES.—Bonds to the amount of Six Hundred Thousand Dollars, of which two hundred shall be for One Hundred Dollars each, one hundred and sixty shall be for Five Hundred Dollars each, and five hundred shall be for One Thousand Dollars each; all to be dated on the first day of March, 1881, and payable twenty-five years after date, and with coupons for interest at the rate of six per centum per annum attached, payable semi-annually.

The form of said bonds and coupons so to be issued, shall be in substance and effect as follows:

[FORM OF BOND.]

\$..... *United States of America,* No.....
State of Virginia.

The Virginia Midland Railway Company promises to pay to the Bearer of this Bond, at its office, in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Six,.....Dollars, for value received, with interest thereon at the rate of six per centum per annum, payable semi-annually according to the tenor of the coupons annexed.

This Bond is one of a series of this date, amounting in the aggregate to Six Hundred Thousand Dollars, the payment whereof is secured by a first lien

upon so much of the road, property, works, revenues and franchises of said Company as lie between Alexandria and Gordonsville, including the lease of and property in the Charlottesville and Rapidan Railroad, and the Warrenton Branch, which lien is created by a deed of trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof, said Virginia Midland Railroad Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of the President this first day of March, 1881.



.....
President.

[FORM OF COUPON.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the City of Baltimore, on the.....day of being six months interest on bond No. for Dollars.

.....Treasurer.

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to Six Hundred Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by the lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of, 1881.

.....
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..... } Trustees.

SECOND SERIES.—Bonds to the amount of One Million Nine Hundred Thousand Dollars, of which five hundred shall be for One Hundred Dollars each, three hundred shall be for Five Hundred Dollars each, and seventeen hundred shall be for One Thousand Dollars each; all to be dated on the first day of March, 1881, and payable thirty years after date, and with coupons for interest at the rate of six per centum per annum attached, payable semi-annually.

The form of said bonds and coupons shall be as follows :

[FORM OF BOND.]

\$.....

United States of America,
State of Virginia.

No.....

The Virginia Midland Railway Company promises to pay to the Bearer of this Bond, at its office in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Eleven, Dollars, for value received, with interest thereon at the rate of six per centum per annum, payable semi-annually according to the tenor of the coupons annexed.

This Bond is one of a series of this date amounting in the aggregate to One Million Nine Hundred Thousand Dollars, the payment whereof is secured by a second lien upon so much of the road, property, works, revenues and franchises of said Company as lie between Alexandria and Gordonsville, including the Warrenton Branch and its lease of and property in the Charlottesville and Rapidan Railroad, and a first lien on so much of the road, property, works, revenues and franchises of said Company as lie between Charlottesville and Lynchburg, which liens are created by a Deed of Trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof, said Virginia Midland Railroad Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of the President this first day of March, 1881.

{ Corporate
Seal. }

.....
President.

[FORM OF COUPON.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the City of Baltimore, on the.....day of, being six months interest on bond No. for Dollars.

.....Treasurer.

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to One Million, Nine Hundred Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by the lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of, 1881.

..... } Trustees.
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THIRD SERIES.—Bonds to the amount of One Million, One Hundred Thousand Dollars, of which two hundred and fifty shall be for One Hundred Dollars each, two hundred and fifty shall be for Five Hundred Dollars each, and nine hundred and fifty shall be for One Thousand Dollars each; all to be dated on the first day of March, 1881, and payable thirty-five years after date, with interest at the rate of five per centum per annum for the first five years of the duration of said bonds, and six per centum per annum for the remaining thirty years thereof, with coupons for interest attached, payable semi-annually.

The form of said bonds and coupons shall be as follows:

[FORM OF BOND.]

\$..... *United States of America,* No.....
State of Virginia.

The Virginia Midland Railway Company promises to pay to the Bearer of this Bond, at its office, in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Sixteen,..... Dollars, for value received, with interest thereon at the rate of five per centum per annum for the first five years after its date, and six per centum per annum thereafter until paid, payable semi-annually according to the tenor of the coupons annexed.

This Bond is one of a series amounting in the aggregate to One Million, One Hundred Thousand Dollars, the payment whereof is secured by a third lien upon so much of the road, property, works franchises, tolls and revenues of said Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the Charlottesville and Rapidan Railroad, and a second lien on so much of the road, property, works, franchises, tolls and revenues of said Company as lie between Charlottesville and Lynchburg, which liens are created by deed of trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof, said Virginia Midland Railway Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of its President this first day of March, 1881.

{ Corporate
 Seal. }

.....
President.

[FORM OF COUPONS.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the city of Baltimore, on theday of, being six months interest on its bond No. for Dollars.

....., *Treasurer.*

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to One Million, One Hundred Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by a lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of , 1881.

..... } Trustees.

FOURTH SERIES —Bonds to the amount of Nine Hundred and Fifty Thousand Dollars, of which two hundred and fifty shall be for One Hundred Dollars each, two hundred and fifty shall be for Five Hundred Dollars each, and eight hundred shall be for One Thousand Dollars each; all to be dated on the first day of March, 1881, and payable forty years after date, with interest at the rate of three per centum per annum for the first ten years of the duration of said bonds, and of four per centum per annum for the next ten years, and five per centum per annum for the remaining twenty years thereof, with coupons for interest attached, payable semi-annually.

The form of said bonds and coupons shall be as follows:

[FORM OF BOND.]

\$..... *United States of America,* No.....
State of Virginia.

The Virginia Midland Railway Company promises to pay to the Bearer of this Bond, at its office in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Twenty-one, Dollars, for value received, with interest thereon at the rate of three per centum per annum for the first ten years after this date, four per centum per annum for the next ten years thereafter, and five per centum per annum for the remaining years of its duration and until paid, payable semi-annually according to the tenor of the coupons annexed.

This bond is one of a series amounting in the aggregate to Nine Hundred and Fifty Thousand Dollars, the payment whereof is secured by a fourth lien upon so much of the road, property, works, revenues and franchises of said Company as lie between Alexandria and Gordonsville, including the Warren-ton Branch, and its lease of and property in the Charlottesville and Rapidan Railroad, and a third lien on so much of the road, property, works, revenues and franchises of said Company as lie between Charlottesville and Lynchburg, which liens are created by a deed of trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof said Virginia Midland Railway Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of its President, this first day of March, 1881.

{ Corporate Seal. }

President.

[FORM OF COUPON.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the city of Baltimore, on the day of being six months interest on its bond No.....for.....Dollars.

.....Treasurer.

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to Nine Hundred and Fifty Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by the lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of 1881.

..... } Trustees.

FIFTH SERIES.—Bonds to the amount of One Million, Seven Hundred and Seventy-five Thousand Dollars, of which two hundred and fifty shall be for One Hundred Dollars each, three hundred shall be for Five Hundred Dollars each, and sixteen hundred shall be for One Thousand Dollars each; all to be dated on the first day of March, 1881, and payable forty-five years after date, with interest at the rate of five per centum per annum, with coupons for interest attached, payable semi-annually.

The form of said bonds and coupons so to be issued, shall be in substance and effect as follows:

[FORM OF BOND.]

§..... *United States of America,* No.....
State of Virginia.

The Virginia Midland Railway Company promises to pay the Bearer of this Bond, at its office in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Twenty-six,Dollars, for value received, with interest thereon at the rate of five per centum per annum until paid, payable semi-annually according to the tenor of the coupons attached.

This Bond is one of a series of this date amounting in the aggregate to One Million, Seven Hundred and Seventy-five Thousand Dollars, the payment whereof is secured by a first lien upon the road, and fixed property, revenues and franchises of the Company between Manassas Junction and Harrisonburg, including the Front Royal Branch, and the lease of the road from Harrisonburg to Strasburg to the Baltimore & Ohio Railroad Company, and a fifth lien upon the road, property, works, revenues and franchises of the Company from Alexandria to Gordonsville, including the Warrenton Branch, and the lease of and property in the Charlottesville & Rapidan Railroad, and a fourth lien on the road, property, works, revenues and franchises of the Company between Charlottesville and Lynchburg, which liens are created by a Deed of Trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof, said Virginia Midland Railway Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of the President this first day of March, 1881.

Corporate
Seal.

.....
President.

[FORM OF COUPON.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the city of Baltimore, on theday of , being six months interest on its bond No. for Dollars.

.....
Treasurer.

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to One Million, Seven Hundred and Seventy-five Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by a lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of, 1881.

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..... }
..... } *Trustees.*

SIXTH SERIES.—Bonds to the amount of One Million, Three Hundred and Ten Thousand Dollars, all of the denomination of one thousand dollars, and to be dated on the first day of March, 1881, and payable fifty years after date, with interest at the rate of four per centum per annum for the first eight years of the duration of said bonds, and at the rate of five per centum per

annum for the remaining forty-two years thereof until paid, with coupons for interest attached, payable semi-annually.

The form of said bonds and coupons shall be as follows:

[FORM OF BOND.]

\$..... United States of America, No.....
State of Virginia.

The Virginia Midland Railway Company promises to pay to the Bearer of this Bond, at its office in the city of Alexandria, Virginia, on the first day of March, Nineteen Hundred and Thirty-one, Dollars, for value received, with interest thereon at the rate of four per centum per annum for eight years from the date hereof, and at the rate of five per centum per annum thereafter until paid, payable semi-annually according to the tenor of the coupons attached.

This Bond is one of a series amounting in the aggregate to Thirteen Hundred and Ten Thousand Dollars, the payment whereof is secured by a first lien upon the road, property, works, revenues and franchises of said Company between Lynchburg and Danville, including the Pittsville Branch, and the lease of and property in the Franklin & Pittsylvania Railroad, and a sixth lien on the lease of and property in the Charlottesville & Rapidan Railroad from Charlottesville to Orange Court House, which liens are created by a Deed of Trust bearing date on the first day of March, 1881, to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees.

This Bond is not valid until said Trustees, or a majority of them, sign the certificate endorsed hereon.

In witness whereof said Virginia Midland Railway Company has caused its corporate seal to be hereunto affixed, and the same to be attested by the signature of its President, this first day of March, 1881.

{ Corporate
Seal. }

.....
President.

[FORM OF COUPON.]

The Virginia Midland Railway Company will pay to Bearer..... Dollars, at its agency in the City of Baltimore, on the day of..... being six months interest on its bond No..... for.....Dollars.

....., Treasurer.

[FORM OF ENDORSEMENT OF TRUSTEES.]

This Bond is one of a series amounting in the aggregate to Thirteen Hundred and Ten Thousand Dollars, issued by the Virginia Midland Railway Company, and is secured by a lien on the property as therein described, which lien is created by a Deed of Trust executed by said Company to Robert T.

Baldwin, J. Willcox Brown and Robert Garrett, Trustees, on the first day of March, 1881, which has been duly delivered and recorded.

Given under our hands this day of, 1881.

..... } Trustees.

Resolved, II. That further in obedience to the said resolution and by virtue of the power thereby conferred, the President of this Company be, and he hereby is, authorized, directed and empowered to make, sign as its President, acknowledge, execute, deliver and put to record, a Deed of Trust for and on behalf of this Company, under its corporate seal, conveying all its property, works, revenues and franchises to Robert T. Baldwin, J. Willcox Brown and Robert Garrett as Trustees, to secure the said respective classes of bonds upon the several divisions of the property, works, revenues and franchises of this Company, according to the tenor of said bonds, and in conformity with the terms and conditions set forth in the articles of association of said creditors of the Washington City, Virginia Midland & Great Southern Railroad Company, as recited in said preamble and resolutions of the stockholders, or as nearly in conformity to such terms and conditions as the circumstances of the case will permit.

Resolved, III. That the President be, and he hereby is authorized, directed and empowered to deliver said bonds, when executed and so secured, to the persons who, under said terms of association of creditors, may be respectively entitled thereto.

Resolved, IV. That the President be, and he hereby is, instructed and empowered to do, or cause to be done, such other acts and things as may be proper and necessary to perfect the said bonds and Deed of Trust in due form, to carry out the purposes of these resolutions, to effectuate the lien of said Deed, and to give effect to and fulfil, so far as the execution and delivery of said bonds and deed are concerned, the said terms and conditions of the said articles of association of the bondholders and creditors of said Washington City, Virginia Midland & Great Southern Railroad Company.

And whereas, further,

At a meeting of the Board of Directors of said Virginia Midland Railway Company, held in the city of Alexandria on the same day, the following resolutions were adopted :

Resolved, 1. That the form of the Deed of Trust this day submitted to the Board of Directors by the President, as the one which in obedience to the resolutions of the Stockholders and Directors, passed respectively on the first day of February, 1881, and the twenty-third day of February, 1881, he has caused to be prepared, and proposes to execute, be, and the same is hereby approved, ratified and confirmed, and the President is directed and empowered to execute, deliver and record the same for and on behalf of this Company.

Resolved, II. That a copy of the proposed Deed of Trust be entered upon the record of this Board as part of this day's proceedings—

And whereas, further,

This Deed now executed is a copy of the form of the Deed of Trust so approved, ratified and confirmed by the said resolutions of the Board of Directors, as will appear by a reference to the minutes of said meeting ;

Now, THEREFORE,

THIS DEED WITNESSETH, That THE VIRGINIA MIDLAND RAILWAY COMPANY, in consideration of the premises, and in order to secure the payment of the full amount of the principal and interest of each of the six several series of bonds recited in the resolutions of its Board of Directors, passed on the twenty-third day of February, 1881, doth hereby grant, convey, bargain, sell, enfeoff, release, confirm, assign, transfer and set over unto the said Robert T. Baldwin, J. Willcox Brown and Robert Garrett, and their successors as Trustees, the whole of its lines of railway, in the State of Virginia ; from the city of Alexandria to the town of Gordonsville, in the county of Orange ; from Orange Court House to the city of Danville, including the line of the Charlottesville & Rapidan Railroad from Orange Court House to Charlottesville, of which it is the lessee ; from the town of Manassas, in the county of Prince William, to the town of Harrisonburg, in the county of Rockingham ; from the Narrow Gauge Junction, in the county of Pittsylvania, to the town of Rocky Mount, in the county of Franklin, including the line of the Franklin & Pittsylvania Narrow Gauge Railroad from Pittsville to Rocky Mount, of which it is lessee for a term of years ; the Warrenton Branch, and the Front Royal Branch ; in all constituting four hundred and five and one half miles, more or less, of united and continuous railway ; together with all branches, additions, sidings and turnouts thereof now owned, or which may hereafter be acquired ; and all lands, rails, bridges, wharves, fences, rights-of-way, workshops, machinery, stations, offices, depots, engine-houses, tracks, and all lands, tenements and hereditaments whatsoever, of the

said Railway Company now owned, or which may hereafter be acquired, and which are now or may hereafter at any time be used for the purpose of operating the said Railway or conducting the business thereof; together with all the rolling stock, materials and furniture of said Company, now owned and which may hereafter be acquired as appurtenant thereto, for use upon or for the business of said railway; and also all the corporate rights, privileges, franchises, estates, tolls, rents, revenues, profits and receipts of said Company, of every kind and description, now owned or which may hereafter be acquired, and all streets, ways, alleys, passages, waters, water-rights, water-courses, easements, liberties and appurtenances whatsoever, now owned or which may hereafter be acquired by said Company; and especially to include in this conveyance the interest and property of said Virginia Midland Railway Company in the line of Railway from Orange Court House to the town of Charlottesville, and the works, property and franchises thereto pertaining, held by said Company under certain covenants and agreements of lease entered into on the sixth day of June, 1878, between John S. Barbour, Receiver, and the Charlottesville & Rapidan Railroad Company, in pursuance of certain decrees of the Circuit Court of the city of Alexandria, in the chancery suit of *Graham vs. the Washington City, Virginia Midland & Great Southern Railroad Company*, and modified under a decree in the said cause entered on the second of July, 1879; and further especially to include the interest and property of said Virginia Midland Railway Company in the line of railway from Pittsville in Pittsylvania county to Rocky Mount in Franklin county, and the works, property and franchises pertaining thereto, held by said Company under a certain contract of lease, bearing date on the nineteenth day of September, 1878, between said John S. Barbour, Receiver as aforesaid, and the Franklin & Pittsylvania Railroad Company, which lease was made by said Receiver by virtue of power granted him by a decree of said Court in said chancery suit; and further especially to include the benefit of an existing contract of lease

between the said Washington City, Virginia Midland & Great Southern Railroad Company and the Baltimore & Ohio Railroad Company, dated on the twentieth day of August, 1873, whereby said Baltimore & Ohio Railroad Company leased from said Washington City, Virginia Midland & Great Southern Railroad Company for a term of ninety-nine years, renewable forever, so much of its road as lies between Strasburg and Harrisonburg, on certain conditions therein set forth; and this shall include any lease of said property which may hereafter be executed between said Baltimore & Ohio Railroad Company and said Virginia Midland Railway Company in lieu of or exchange for the said lease, as provided for in the said scheme of reorganization.

The above described property, both real and personal, and the said three leases above named, were sold to Robert T. Baldwin, J. Willcox Brown and Robert Garrett, Trustees of the Associated Bondholders and Creditors, who declared themselves to be a corporation under the style of the Virginia Midland Railway Company, by John S. Barbour, Commissioner in said suit of *Graham vs. The Washington City, Virginia Midland & Great Southern Railroad Company*, at a sale made by him on the twentieth day of December, 1880, under a decree in said cause, and constitute the same property conveyed to said purchasers by said John S. Barbour as Special Commissioner, by a deed dated on the first day of January, 1881, and authorized by a decree in said cause, entered on the thirtieth day of December, 1880, to which reference is made for a further description.

TO HAVE AND TO HOLD the said property, works, leases, revenues, rights, franchises and appurtenances to the said parties hereto of the second part and their successors, as joint tenants.

But the said Trustees shall hold said property, works, leases, revenues, rights, franchises and appurtenances subject to the following TRUSTS AND CONDITIONS, that is to say :

- (1.) So much of the above-described road, property, works,

revenues, rights, franchises and appurtenances as lie between Alexandria and Gordonsville, including the Warrenton Branch, and the lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging, shall be held under this Deed by said Trustees and their successors, *to secure*, first and before all others, a debt due by the said Virginia Midland Railway Company, amounting to the sum of Six Hundred Thousand Dollars, payable twenty-five years after date, with interest thereon at the rate of six per centum per annum, payable semi-annually, evidenced by a series of bonds with coupons for interest attached, which, as to number, denomination, duration, place and time of payment, and form, are hereinbefore accurately described in the first of the resolutions passed by the Board of Directors of said Company at its meeting held in the city of Alexandria on the twenty-third day of February, 1881, and which are designated in said resolution as "FIRST SERIES;" and to the said first resolution hereinbefore written in full, reference is hereby made for a more accurate description of the debt and the bonds that evidence it, which it is intended by this clause to secure by a *first* lien on so much of the property of said Virginia Midland Railway Company as is in this clause described.

It being intended hereby, for the purpose of securing the same, to make the said debt, evidenced as aforesaid, a *first lien* on so much of the road, property, works, revenues, rights, franchises and appurtenances of said Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, revenues, rights, franchises and appurtenances thereto belonging.

(2.) So much of the road, property, works, revenues, franchises and appurtenances of the said Virginia Midland Railway Company as lie between Alexandria and Gordonsville,

including the Warrenton Branch, and its lease of and property in the railroad between Orange Court House and Charlottesville; and the property, works, rights, revenues, franchises and appurtenances thereto belonging; and so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg shall be held under this Deed by said Trustees and their successors to secure a debt due by said Virginia Midland Railway Company, amounting to the sum of One Million, Nine Hundred Thousand Dollars, payable thirty years after date, with interest thereon at the rate of six per centum per annum payable semi-annually, evidenced by a series of bonds with coupons for interest attached, which, as to number, denomination, duration, place and time of payment, and form, are herein before accurately described in the first of the resolutions passed by the Board of Directors of said Company, at its meeting held in the city of Alexandria, on the twenty-third day of February, 1881, and which are designated in said resolution as "SECOND SERIES;" and to the said first resolution, hereinbefore written in full, reference is hereby made for a more accurate description of the debt and the bonds that evidence it, which it is intended by this clause to secure by a specific lien on so much of the property of said Virginia Midland Railway Company as is in this clause described.

It being intended hereby, for the purpose of securing the same, to make the said debt, evidenced as aforesaid, a *second lien* on so much of the said road, property, works, rights, revenues, franchises and appurtenances of said Railway Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the Railroad between Orange Court House and Charlottesville and the property, works, rights, revenues, franchises and appurtenances thereto belonging, and a *first lien* on so much of the said road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg.

(3.) So much of the road, property, works, rights, revenues, franchises and appurtenances of the Virginia Midland Railway Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging; and so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg, shall be held under this Deed by said Trustees and their successors to secure a debt, due by said Virginia Midland Railway Company, amounting to the sum of One Million One Hundred Thousand Dollars, payable thirty-five years after date, with interest at the rate of five per centum per annum for the first five years after the date of said debt, and six per centum per annum for the remaining thirty years next thereafter and until paid, payable semi-annually, evidenced by a series of bonds, with coupons for interest attached, which as to number, denomination, duration, place and time of payment, and form are hereinbefore accurately described in the first of the resolutions passed by the Board of Directors of said Company at its meeting held in the city of Alexandria on the twenty-third day of February, 1881, and which are designated in said resolution as "THIRD SERIES;" and to the said first resolution hereinbefore written in full, reference is hereby made for a more accurate description of the debt and the bonds that evidence it, which it is intended by this clause to secure by a specific lien on so much of the property of said Railway Company as is in this clause described.

It being intended hereby, for the purpose of securing the same, to make the said debt, evidenced as aforesaid, a *third lien* on so much of the road, property, works, rights, revenues and appurtenances of said Railway Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the railroad between Orange

Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging, and a *second lien* on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg.

(4.) So much of the road, property, works, rights, revenues, franchises and appurtenances of the Virginia Midland Railway Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging; and so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg, shall be held under this Deed by said Trustees and their successors *to secure* a debt due by said Virginia Midland Railway Company amounting to the sum of Nine Hundred and Fifty Thousand Dollars, payable forty years after date, with interest at the rate of three per centum per annum for the first ten years after the date of said debt, of four per centum per annum for the next ten years thereafter of its duration, and of five per centum per annum for the remaining twenty years of its duration, and until paid, payable semi-annually, evidenced by a series of bonds with coupons for interest attached, which, as to number, denomination, duration, place and time of payment and form, are hereinbefore accurately described in the first of the resolutions passed by the Board of Directors of said Company at its meeting held in the city of Alexandria on the twenty-third day of February, 1881, and which are designated in said resolution as "*FOURTH SERIES*;" and to the said first resolution herein before written in full, reference is hereby made for a more accurate description of the debt, and the bonds that evidence it, which it is intended by this clause to secure by a specific lien on so much of the property of said Railway Company as is in this clause described.

It being intended hereby, for the purpose of securing the same, to make the said debt, evidenced as aforesaid, a *fourth lien* on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Railway Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging; and a *third lien* on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg.

(5.) So much of the road, property, rights, works, revenues, franchises and appurtenances of the Virginia Midland Railway Company as lie between the town of Manassas and the town of Harrisonburg, including the Front Royal Branch, and the said lease to the Baltimore and Ohio Railroad Company of the road from Strasburg to Harrisonburg, or any lease given in renewal or exchange therefor, and the rental therefrom; and so much of the property, works, revenues and franchises of said Company as lie between the city of Alexandria and the town of Gordonsville, including the Warrenton Branch, its lease of and property in the railroad between Orange Court House and Charlottesville, and the property, works, rights, revenues, franchises and appurtenances thereto belonging, and so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg, shall be held under this Deed by said Trustees and their successors to secure a debt, due by said Virginia Midland Railway Company, amounting to the sum of One Million, Seven Hundred and Seventy-Five Thousand Dollars, payable forty-five years after date, with interest at the rate of five per centum per annum until paid, payable semi-annually, evidenced by a series of bonds with coupons for interest attached, which, as to number, denomination, duration, place and time of payment, and form, are hereinbefore

accurately described in the first of the resolutions passed by the Board of Directors of said Company, at its meeting held in the city of Alexandria, Virginia, on the twenty-third day of February, 1881, and which are designated in said resolution as "FIFTH SERIES;" and to the said first resolution, hereinbefore written in full, reference is hereby made for a more accurate description of the debt and the bonds which evidence it, which it is intended by this clause to secure by a specific lien on so much of the property of said Railway Company as is in this clause described.

It being intended hereby, for the purpose of securing the same, to make the said debt, evidenced as aforesaid, a *first lien* on so much of the road, property, works, rights, revenues and appurtenances of said Railway Company as lie between the town of Manassas and the town of Harrisonburg, including the Front Royal Branch, and the said lease to the Baltimore & Ohio Railroad Company of the road from Strasburg to Harrisonburg, and the rental therefrom, and any new lease given in the stead thereof; a *fifth lien* on so much of the road, property, works, rights, franchises and appurtenances of said Company as lie between Alexandria and Gordonsville, including the Warrenton Branch, and its lease of and property in the road from Orange Court House to Charlottesville, and the property, works, revenues and franchises thereto belonging; and a *fourth lien* on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Charlottesville and Lynchburg.

(6.) So much of the road, property, works, rights, revenues, franchises and appurtenances of the said Virginia Midland Railway Company as lie between the city of Lynchburg and the city of Danville, including the Pittsville Branch, and the said lease of and property in the railroad from Pittsville, in the county of Pittsylvania, to Rocky Mount in Franklin county, and the lease of and property in the Charlottesville & Rapidan Railroad extending from Charlottesville to Orange

Court House, shall be held under this Deed by said Trustees and their successors, to secure a debt, due by said Virginia Midland Railway Company, amounting to the sum of One Million, Three Hundred and Ten Thousand Dollars, payable fifty years after date, with interest at the rate of four per centum per annum for the first eight years from the date of said debt, and of five per centum per annum thereafter until paid, payable semi-annually, evidenced by a series of bonds with coupons for interest attached, which, as to number, denomination, duration, place and time of payment and form, are hereinbefore accurately described in the first of the resolutions passed by the Board of Directors of said Company, at its meeting held in the city of Alexandria, on the twenty-third day of February, 1881, and which are designated in said resolutions as "SIXTH SERIES;" and to the said first resolution hereinbefore written in full reference is hereby made for a more accurate description of the debt and the bonds which evidence it, which it is intended by this clause to secure by a specific lien on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Virginia Midland Railway Company as, in this clause, is heretofore described.

It being intended hereby, for the purpose of securing the same to make the said debt, evidenced as aforesaid, a *first lien* on so much of the road, property, works, rights, revenues, franchises and appurtenances of said Company as lie between Lynchburg and Danville, including the Pittsville Branch and the lease of and property in the railroad from Pittsville to Rocky Mount; and a *sixth lien* on the lease of and property in the railroad from Charlottesville to Orange Court House known as the Charlottesville & Rapidan Railroad.

NOTE.—This conveyance is not intended to include any of the lands of said Company not used in connection with its line of railway, or necessary to its use and enjoyment, which were subscribed to the capital stock of the Lynchburg & Danville

Railroad, or which were purchased by the Washington City, Virginia Midland & Great Southern Railroad Company under and by virtue of authority granted it by certain Acts of the General Assembly of Virginia, approved on the 6th day of March, 1871, February 15, 1873, and March 28, 1873.

And it is hereby expressly covenanted, agreed and understood between the parties hereto in manner following—that is to say,

First. The said Virginia Midland Railway Company hereby warrants generally the property herein conveyed, and covenants that it has done no act to encumber the same; that the said Trustees and their successors, when according to this Deed entitled thereto, shall have quiet and peaceable possession of said property, free from all encumbrances, and that it will hereafter, upon reasonable request, make, do and execute all such other and further reasonable assurances, acts and deeds, as in the opinion of competent counsel, shall be necessary and proper to effectuate the lien or security hereby intended to be created, for the benefit of the bondholders entitled to the security hereby provided or intended to be provided; and especially to render subject to the lien of this Deed, any and all of the after-acquired property of such character as is hereinbefore described as intended to be embraced in this conveyance.

Second. Until default be made in the payment of the interest or principal of any of the aforesaid bonds, the Virginia Midland Railway Company shall hold, use, occupy and enjoy the property herein conveyed, and shall take and receive the income, revenues, earnings, rents and profits thereof for its own proper use as fully as if this Deed had never been executed.

Third. If the said Virginia Midland Railway Company, its successors, or assigns, shall at any time hereafter, after demand made, make default and refuse, neglect or omit, for any period exceeding four months, to pay, or to cause to be paid, the semi-annual installments of interest, or the principal sum of each and all of the said bonds intended to be hereby

secured, or any of them, when and as the same shall respectively become due and payable, according to the terms thereof, then, and in such case, said Trustees, or their successors then acting, shall, and will, upon the written request of holders of at least one-fifth in amount of the bonds as to which default in the payment of either interest or principal, or both, may have been made, enter upon and take possession of the property, real, personal and mixed, the railroads, estates, premises, leases, revenues, rents, issues, profits, rights and franchises herein conveyed to said Trustees to secure such bonds, in the granting part of this Deed, and use, manage and control the same by proper servants and agents to the best advantage until the sale hereinafter provided for be made. After so taking possession of said property the said Trustees shall proceed, by their duly appointed agents, servants and attorneys, to conduct the business of said Company, and to control its affairs, receipts and disbursements for a period of six months, and if during said period the sum for which default has been made, whether the same be principal or interest, or both, be fully paid off and discharged either by said Company, or by said Trustees out of said receipts and profits, the said Trustees shall surrender the custody thereof, and return said property to said Company. But if the sums so in default be not paid as aforesaid, in said period of six months, the principal of all the Bonds secured by this Deed shall be deemed to be then due and payable with interest in arrear up to that time according to their tenor, and it shall be the duty of said Trustees to apply to some court of competent jurisdiction for a decree authorizing them to sell the property hereby conveyed to them, in such manner and upon such terms and conditions as the said court may determine to be for the best interest and advantage of all the bondholders secured by this Deed of Trust, having due regard to their rights, liens and priorities in reference to certain portions of the said property as hereinbefore particularly declared and set forth; and the proceeds of the sale or sales which may be made under such decree shall be marshalled and distributed

by the authority and under the direction of said court among the said bondholders according to their said respective rights, liens and priorities, in such manner as the said court may determine to be just and lawful for the due protection and establishment of the same; and if sufficient to pay their claims and those of all other creditors in full, the balance shall be paid to the said Company.

All sums received by said Trustees while said property is in their control and management, shall, after paying the cost of conducting the business of the Company and running said road, including their own reasonable compensation, and all proper debts, claims and liabilities arising out of a just and careful administration of the affairs and business of said Company by said Trustees, and their agents, servants and employees, be held subject to the order of the Court aforesaid on the passage of said decree for distribution to the parties who may be adjudged by said Court to be legally entitled thereto.

Fourth. All the provisions of this deed whereby the bonds described in the foresaid six series are secured, shall apply also to any bonds given by said Company in renewal or extension of any of said bonds. But the acceptance of such renewed or extended bonds shall be optional with the holders of the bonds which it may be proposed to renew, and the bonds so given in renewal or extension shall, as to the provisions of this deed and the priorities of the security thereunder, occupy exactly the same position as the bonds for which they may have been respectively substituted.

Fifth. Whenever, under the provisions of this deed, the Trustees are empowered to act, a majority shall be competent, and in all cases the survivor or survivors, successor or successors, may act. The said Trustees, and either of them, and any succeeding Trustee or Trustees, may, at any time hereafter, by an instrument in writing, duly signed and delivered to the said Company, resign his or their office and withdraw from the further execution of this trust. Should a vacancy in the list

of Trustees occur at any time by reason of the death, resignation or mental incapacity of any member, such vacancy may be filled by the remaining Trustee or Trustees, who shall designate his or their choice of a person to fill such vacancy by a paper duly signed, acknowledged and placed on record in the Clerk's office of the Corporation Court of the city of Alexandria; or in the Clerk's office of whatever court may then be the proper registry office of said city; or should such surviving or remaining Trustee or Trustees fail to make such appointment, then such vacancy may be filled by some competent court of record in and for the city of Alexandria, or the Judge thereof in vacation, upon the motion of the holder of any bond herein secured, upon thirty days previous notice to said Company and to each of the remaining Trustees, or to the Company only, should there be no Trustee then surviving or remaining. And the appointment of a Trustee so made shall be deemed effectual to vest in him the appropriate estate, rights, powers and duties as herein provided, without any further deed and conveyance; but nevertheless, the said Company covenants to execute any such other and new deed, conveyance or assurance that may be requisite to confirm said new Trustee in the said duties, powers and estates of his said office.

In case of the resignation of a Trustee, the person resigning shall, if requested, make and execute any deed or conveyance to his successor which may be requisite to carry out the provisions of this trust.

Sixth. The said Trustees shall not be in any manner responsible for the default or misconduct of each other in the administration of this trust, nor for the neglect, default or misconduct of any agent, servant or attorney appointed by them in the discharge of their duty hereunder; nor for anything in respect to said premises or the trust hereby created, except personal misconduct or gross negligence in the execution of said trust.

Seventh. The said Company is hereby authorized and empowered to sell any of the property herein conveyed other than

its road-bed and franchises, and to convey a good title thereto, free from the liens of this deed—but the purchase money received therefor shall be invested in other property of a like character, to which the liens created by this deed shall at once attach.

Eighth. The said Virginia Midland Railway Company covenants that it will well and truly pay or cause to be paid unto the holders of said bonds herein secured the principal and interest thereof as they become due, according to the tenor of said bonds and the coupons attached thereto; and, it is hereby agreed that if the said Company shall well and truly keep and perform the foregoing covenants and agreements and shall pay the said bonds hereby secured, with interest thereon, according to the tenor thereof, then these presents shall be void, and shall be duly released by said Trustees, otherwise they shall remain in full force.

IN TESTIMONY WHEREOF, the said Virginia Midland Railway Company hath hereunto affixed its corporate seal and caused this Deed to be attested by JOHN S. BARBOUR, its President; and the said Trustees have hereunto set their hands and seals in testimony of their acceptance of the trust herein imposed upon them—all upon the day and year first above written.

JOHN S. BARBOUR,

President.

ROBT. S. BALDWIN, [SEAL.]

J. WILLCOX BROWN, [SEAL.]

ROBT. GARRETT, [SEAL.]

Trustees.

EXTRACT FROM THE PROCEEDINGS OF THE BOARD OF DIRECTORS
OF THE VIRGINIA MIDLAND RAILWAY COMPANY AT A MEET-
ING HELD IN THE CITY OF ALEXANDRIA, FEBRUARY 23d,
1881, ESTABLISHING A CORPORATE SEAL.

Resolved, That the corporate seal of this Company shall be
a design with a circle one and three quarters of an inch in
diameter, representing a railway engine and train crossing a
bridge; around the margin the words "The Virginia Midland
Railway Company," and in the exergue the words "Org.
Jan. 1, 1881." A design of said seal is herewith attached :



APPENDIX.

AN ACT TO AUTHORIZE THE ORANGE, ALEXANDRIA AND MANASSAS RAILROAD COMPANY TO RUN TRAINS AND TRANSPORT FREIGHT AND PASSENGERS WITHIN THE DISTRICT OF COLUMBIA.

[Approved June 8, 1872.]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled, That it shall be lawful for the Orange, Alexandria & Manassas Railroad Company, a corporation chartered under the laws of the State of Virginia, to exercise its functions as a common carrier, and transport passengers and freight within the District of Columbia, and for this purpose shall have authority to run locomotives and trains upon and over the bridge which has been constructed by the Baltimore & Potomac Railroad Company across the Potomac river, at the Western terminus of Maryland avenue, in the City of Washington, upon the terms and conditions prescribed in the Act of Congress granting to said Baltimore & Potomac Railroad Company, the privilege to construct and operate said bridge; and the said Orange, Alexandria & Manassas Railroad Company may put down a single track along Maryland avenue, from its Western terminus to its intersection with the Washington Canal, now in process of being filled up, and thence by a curve Southwardly along the ground heretofore occupied by the said Canal to the intersection of D or E streets South, as may be determined by the engineer in charge of the Public Buildings and Grounds, and thence along one of said streets by a tunnel under the Public Grounds East of the Capitol Building, upon such route and in such manner as the said engineer may prescribe, to Second or Third street East; thence along said Second or Third street to the line of the Baltimore & Ohio Railroad; and the track of said railroad company, except so much thereof as is laid in the said tunnel or its approaches, shall conform to the grade of the streets occupied as above, as shall be prescribed by the Board of Public Works; and any damage caused to the property of individuals by the construction of said railroad, shall be paid by said Orange, Alexandria & Manassas Railroad Company: *Provided,* That the said Orange, Alexandria & Manassas Railroad Company shall pay to the District of Columbia one-half of the cost of arching the Washington Canal from Maryland avenue to the street on which the said railroad track enters the tunnel aforesaid: *And provided further,* That nothing herein contained shall be construed to grant to said company the right to establish a depot along said avenue or streets until consent for the same has first been obtained from the Legislative Assembly of the District of Columbia.

SEC. 2. That Congress shall have the right to regulate the rates of fare collected by said company from passengers, and the rates of charge for the transportation of freight per ton per mile, for all freight passing into the District of Columbia, on said railroad, shall be not more than the rates charged per ton per mile on that part of the said Orange, Alexandria & Manassas railroad not in the said District; and that all property owned by said company within said District, shall be subject to taxation by the proper municipal authority, and Washington City shall be considered as a terminal point, and entitled to all the privileges and facilities of any other terminal points on said road.

SEC. 3. That said railroad company shall give to other railroad companies connecting therewith, the right to pass through and use said tunnel, on such reasonable terms as may be agreed upon between the respective parties, or Congress prescribe.

SEC. 4. That this Act may be at any time amended or repealed by Congress.

LAW OF VIRGINIA CONCERNING CORPORATIONS GENERALLY.

Chapter Fifty-six of the Code of Virginia (1873) as amended up to January 1, 1881.

Attributes of and restrictions on corporations; charters liable to amendment, alteration or repeal.

1. Every corporation, in respect to which it is not otherwise provided, shall have perpetual succession and a common seal, which it may alter or amend at its pleasure, and may sue and be sued, implead and be impleaded, contract and be contracted with, purchase, hold and grant estates, real and personal, and make ordinances, by-laws and regulations consistent with the laws of this State or of the United States, for the government of all under its authority, for the management of its estates, and the due and orderly conducting of its affairs. But every such act of incorporation passed by the general assembly of Virginia, unless it be an act incorporating an internal improvement company, or if it be for the incorporation of any other company, unless it be otherwise expressly provided in the act of incorporation, shall, at any time after fifteen years from its passage, be liable to be amended, altered or repealed by the legislature, as if express provision therefor were made in such act of incorporation; and every act incorporating an internal improvement company, unless otherwise provided, shall be subject to the general laws now in force, so far as applicable thereto, or otherwise be liable to be amended, altered or repealed at the pleasure of the general assembly.

General restrictions on them.

2. No incorporated company shall hold any more real estate than is proper for the purposes for which it is incorporated, nor employ its capital, money or effects, or otherwise engage in transactions or business not proper for those purposes. One company shall not subscribe to, purchase or otherwise acquire the stock of another company unless it be specially allowed by law, and except as permitted by section three of this chapter. If any company shall acquire stock in any other company, contrary to the provisions of this act, it shall not be lawful for it to vote such stock in any general or special meeting of the stockholders. [Acts 1876-7, page 345.]

Restrictions qualified.

3. The preceding section shall not prevent a company from receiving stocks or other property in satisfaction of any judgment, order or decree, or as collateral security for or in payment of any debt, or from purchasing stocks or other property at any sale made for its benefit. If the company so receive shares of its own stock, it may either extinguish the same or sell and transfer such shares to a purchaser. While a company holds such shares of its own stock, no vote shall be given thereon.

When company for internal improvement may enter upon land to make surveys.

4. Any company incorporated for a work of internal improvement, may, by its officers, agents or servants, enter upon any lands for the purpose of examining the same and surveying and laying out such as may seem fit to any officer or agent authorized by it, provided no injury be done to the owner or possessor of the land. But no company shall, under the authority of this section, throw open any fences or enclosures on any land, or construct its work through the same, or in any way injure the property of the owner or possessor, without his consent. Nor shall a company, under any provision in this chapter, invade the dwelling house of any free person, or any space within sixty feet thereof, without the consent of the owner.

How much land it may acquire ; the proceedings therefor.

5. The land acquired by any company incorporated for a work of internal improvement along its line generally, shall not exceed one hundred feet in width, except in deep cuts and fillings, and then only so much more shall be acquired as may be reasonably necessary therefor; the land which it may acquire for buildings, or for an abutment along its line generally, shall not exceed three acres in any one parcel; and the land which it may acquire for buildings, or other purposes of the company at the principal termini of its work, or at any place or places within five miles of such termini, shall not exceed fifteen acres in any one parcel; but in the case of a railroad company, an amount of land not exceeding forty acres in any one parcel, may be acquired for its main depots, machine shops, and other necessary purposes connected with the business of said company.

Commissioners to ascertain value of land wanted by a company, county or town.

6. If the president and directors of a company incorporated for a work of internal improvement, the court of a county, or the council of a town, the directors of the Deaf and Dumb and Blind Institution of the Western Lunatic Asylum, of the Eastern Lunatic Asylum, and Central Lunatic Asylum, cannot agree on the terms of purchase with those entitled to lands wanted for the purposes of the company, county or town, institution or asylums aforesaid, five disinterested freeholders shall be appointed by the court of the county or corporation in which such land, or the greater part thereof, shall lie, (any three of whom may act,) for the purpose of ascertaining a just compensation for such land. [Acts 1878-9, p. 333-4.]

Commissioners to value land, how appointed ; notice to be given ; their oath.

7. When it is intended to apply for such appointment, ten days previous notice thereof shall be served on the tenant of the freeholder, or his guardian or committee. But if there be no such tenant, guardian or committee, within the county or corporation, the notice, instead of being thus served, may be published once a week for four weeks, in some convenient paper, and posted at the door of the courthouse of the county or corporation, on the first day of the term next preceeding the application.

8. Upon its appearing that such notice has been so given, the court shall appoint such commissioners, and in the order appointing them shall designate the day for them to meet. Any one or more of them attending on the land, may adjourn from time to time until the business shall be finished.

9. Before executing their duties, they shall take an oath, which shall be certified in substance as follows: " county, (or corporation,) to-wit: I, , a justice of the peace for the said county, (or corporation,) do certify, that , have this day made oath before me, that they will faithfully and impartially ascertain what will be a just compensation for such of the land of the freehold, whereof is tenant, as is proposed to be taken by the company, (or the town or county of), for its purposes, and will truly certify the same. Given under my hand, this day of ."

Their duty, and the report they are to make.

10. The commissioners, after viewing the land and hearing such proper evidence as either party may offer, shall ascertain what will be a just compensation for the said land, and for the damages to the residue of the track, beyond the peculiar benefits to be derived in respect to such residue, from the work to be constructed, and shall make a report to the following effect: "We, appointed by the county (or corporation) court of , by its order of the day of , to ascertain what will be a just compensation for such part of the land of the freehold whereof is tenant, as is proposed to be taken by the company (or the town or county of), for its purposes, do certify

that on the day of , the day designated in the said order (or the day to which we were regularly adjourned from the day designated in the said order), we met together on the said part of the land, the limits of which part were then and there described to us as follows, to-wit: (here set forth the width and length of the particular part, and describe the same in such manner as to make it reasonably certain) And after being first duly sworn, upon a view of the part aforesaid, and upon such evidence as was before us, we are of opinion, and do ascertain for the said part, and for the damage to the residue of the tract beyond the peculiar benefits to be derived in respect to such residue from the work to be constructed, will be a just compensation. Given under our hands this day of ."

Proceedings of court on report.

11. The said report and the certificate of the justice shall be forthwith returned to the court of the county or corporation; and unless good cause be shown against the report, the same shall be confirmed and recorded. The sum so ascertained to be a just compensation may be paid to the persons entitled thereto or into court. Upon such payment, the title to that part of the land for which such compensation is allowed shall be absolutely vested in the company, county or town, in fee simple, except in the case of a turnpike company when a sufficient right of way only for the purposes of such company shall be vested.

When new commissioners may be appointed.

12. If, however, good cause may be shown against the report, or if the commissioners report their disagreement, or if they fail to report within a reasonable time, the court may, without further notice, as often as seems to it proper, appoint other commissioners; and the matter may be proceeded in as before prescribed.

Work to progress on payment of damages; no injunction to be awarded.

13. Whether any such new appointment be made or not, the company, county or town, on paying into court the sum ascertained by the previous report, may, notwithstanding the pendency of proceedings, enter into and construct their work upon or through that part of the land described in such previous report. And no order shall be made nor any injunction awarded by any court or judge, to stay the proceedings of the company, county or town, in the prosecution of their work, unless it be manifest that they, their officers, agents or servants, are transcending their authority, and that the interposition of the court is necessary to prevent injury that cannot be adequately compensated in damages.

Judgment on second report.

14. When, after such payment into court, a report is made which is confirmed, if the sum thereby ascertained exceed what was so paid, judgment shall be given against the company, county or town, for the amount of such excess; and if what was so paid exceed the sum ascertained by the second report, the excess shall be paid back to the company, county or town. If the sum ascertained by the report which is confirmed, be not more than the sum ascertained by the first report, the party applying for the appointment of other commissioners, shall pay the costs occasioned by such application, unless the original report was set aside on some other ground than that of insufficiency of compensation.

Consequence of judgment, and its payment.

15. The company, county or town, when such judgment is rendered against it, shall thereafter have no right to possession of the land until the judgment is satisfied. From the time of such satisfaction, by the payment of the money to

the person entitled thereto, or into court, or from the time of the confirmation of the subsequent report, if no additional compensation be thereby ascertained, or from the time of the termination of the proceedings, if they be determined without such confirmation, the title to the land shall be absolutely vested in the company, county or town, in fee simple.

How money disposed of, when paid into court.

16. To enable the court to dispose properly of any money so paid into court, it may have enquiries by a commissioner to ascertain what persons are entitled thereto, and in what proportions; and may make an order of publication, requiring all interested to appear before the commissioner, that their respective claims may be passed upon. After such reference to a commissioner, and such publication, the court shall make such disposition of the money so paid into court as may seem to it right.

How commissioners appointed to assess damages on whole improvement.

17. Instead of having commissioners appointed in the manner prescribed by the sixth section of this chapter, any company incorporated for a work of internal improvement may apply to any county court, (notice thereof being given by advertisement, at the door of the courthouse, for thirty days, including a court day, and also by publication once a week, for four weeks, in some convenient newspaper,) which shall thereupon appoint five disinterested freeholders, who, or any three or more of whom, shall constitute a board, to ascertain a just compensation to the owners of land upon the line of improvement within the said county, for such of the said lands as are proposed to be taken by such company for its purposes. Vacancies in the said board shall be filled by the court making the original appointment. The commissioners shall hold their offices during the pleasure of the court, and shall receive two dollars each for every day they shall be employed in the performance of their duties, to be paid by the company making application for their appointment.

Their Oath.

18. Before executing the duties of his office, each commissioner shall take an oath before a justice, to the following effect: " , do swear, that I will faithfully and impartially ascertain what will be a just compensation to the owner, in each case submitted to me, for such land as is proposed to be taken by the company for its purposes, and will truly certify the same. Given under my hand, this day of . " Such oath shall be certified by the justice, and with his certificate returned to and filed in the office of the county court.

Their report and its form.

19. The commissioners so appointed and qualified shall, in each case submitted to them, ascertained in the manner prescribed for commissioners by the tenth section of this chapter, what will be a just compensation for the land proposed to be taken as aforesaid, and make a report to the following effect: "We, , commissioners duly appointed and qualified, hereby certify, that on the day of , we met together on the land of , proposed to be taken by the company for its purposes, and then and there described to us as follows: (here set forth the width and length of the part proposed to be taken, and describe it in such a manner as to make it reasonably certain,) and upon a view of the land aforesaid, and upon such evidence as was before us, we ascertained that for the said land and for the damage to the residue of the tract, beyond the peculiar benefits to be derived in respect to such residue from the work to be constructed, will be a just compensation. Given under our hands this day of . " But notice of the time for the commissioners to meet on any land, shall be given to the owner of such land, his guardian or committee, in the manner prescribed by the seventh section, unless such notice be waived by him.

Proceedings on report.

20. Such report shall be returned to the court of the county in which the land shall lie, and the court shall have the like authority over it; and the proceedings thereon shall be the like in all respects as are prescribed by the eleventh, twelfth, thirteenth, fourteenth, fifteenth and sixteenth sections of this chapter.

How location may be changed.

21. Notwithstanding a company may have made a location of lands for its purposes, and proceeded to ascertain the compensation therefor, the company may afterwards change its location from time to time, as often as it may see cause; and proceedings may be had to ascertain what will be a just compensation for the lands upon any such new location, and the work may be constructed upon or through the same, and the title to such lands obtained in like manner as if it were the first location. But whenever such change of location shall be made, the title to the lands condemned for the former location shall revert to the original owner, his heirs or assigns.

Where lands are condemned for corporations, copies of proceedings to be recorded.

22. Hereafter, in all cases of condemnation of land for the benefit of corporations, the clerk of the court in which the proceedings are had, shall deliver a certified copy thereof to the plaintiff, or any person interested therein, who shall cause the same to be recorded in the office where deeds and other papers relating to real estate, are recorded; and the clerk so recording the same shall be entitled to the same fees as are allowed by law for the recordation of deeds.

Company to provide wagon ways for owners of land.

23. For every person, through whose land the road or canal of a company passes, it shall provide proper wagon ways across the road or canal, from one part of the said land to the other, and keep such ways in good repair.

Streets in a town not to be occupied without its assent.

24. No company shall cross or occupy with its works, the streets or alleys, public or private, of any city or town, without the assent of the corporate authorities thereof, unless such assent be dispensed with by special provision of law; and in case any lot or lots along the line of such streets or alleys shall, by such occupation, or crossing, be impaired in value, such company shall, before crossing or occupying such streets or alleys, make compensation therefor to the owners of the same; said compensation to be ascertained in the manner provided by law for the assessment of land damages. [Acts 1874-'5, p. 35.]

25. If any railroad, turnpike or canal company deem it necessary, in the construction of their work, to cross any other railroad, turnpike or canal, or any state or county road, it may do so: provided it works be so constructed as not to impair the safety, or impede or endanger the operations of the work to be crossed; and that such crossing be otherwise effected by such permanent and proper structures and fixtures as will best make safe life and property passing upon the same, and as shall be satisfactory to the company whose work is to be crossed. If any such company desire that the course of any other railroad, turnpike, canal or state road should be altered to avoid the necessity of any crossing, or of frequent crossings of the same, or to facilitate the crossing thereof, the alteration may be made on such terms and in such manner as may be agreed to by the company whose work it is desired to alter, or by the board of public works, in case of any state work; and if any such crossing or alteration as is allowed by this section, shall cause damage or shall be likely to do so, to any company or to the owner of any lands, the railroad, turnpike, or canal company exercising the privileges hereof, shall pay all immediate and shall fully indemnify against all future or prospective damages.

But any county, neighborhood, or farm road, and any stream or water course may be so altered whenever such company shall have made equally convenient road or water way in lieu thereof. [Acts 1874-'5, p. 47.]

Legislature may have one work connected with another at any point.

26. The legislature reserves the right to provide for connecting with one work of internal improvement any other work, at such point as may seem to it proper.

How cities and towns may connect railroads in their limits.

27. In every city or town of this commonwealth where two or more railroads do now or shall hereafter terminate, and said railroad company or companies shall make application to the corporate authorities thereof for permission to connect their roads within the corporate limits of said city or town, subject to the municipal regulations thereof; and if the same shall be refused, it shall be lawful in all such cases for said railroad company or companies to make such connection outside of the limits of such city or town, by the most direct and practicable route, and to procure the right of way, as provided for under the general railroad law.*

How company may take materials from land for their use.

28. A company incorporated for any work of internal improvement may, by its officers, agents or servants, enter upon any convenient lands, for the purpose of obtaining therefrom wood, stone, gravel or earth, to be used in constructing such work, or in repairing, enlarging or altering the same. But the company shall not cut down any fruit tree or any tree preserved in any field or lot for shade or ornament, or take part of any fence or building; nor take any of the said things from any lot in such town. Before taking any of the said things, the company, unless it agree therefor with those having right thereto, shall give to the tenant of the freehold, or his tenant for years, at least ten days notice in writing, that at a certain time and place, to be specified in the notice, application will be made to a justice to appoint commissioners to ascertain what will be a just compensation for the same. At such time and place the justice shall appoint three disinterested freeholders as commissioners, who, after being sworn, shall view the premises and report in writing the extent to which wood, stone, gravel or earth is proposed to be taken, the nature of the injury which may be done in cutting, quarrying, digging or carrying away the same, and what will be a just compensation therefor. The notice in writing, certificate of the commissioners having been sworn, and their report, shall be forthwith returned to the court of the county or corporation. If good cause be shown against the report, or if the commissioners cannot agree, or fail to report within a reasonable time, the court may, as often as seems to it proper, appoint other commissioners, who shall act and report in the manner before prescribed. If the report be confirmed, then, upon the payment to the person entitled thereto, or into court, of the sum so ascertained, the company may take and carry away the wood, stone, gravel or earth for which such compensation may have been allowed; and though the report may not be confirmed, yet upon the payment into court of the sum therein mentioned, it may proceed in like manner as if the report had been confirmed, and payment made of the sum thereby ascertained. Upon the coming in of a new report, after such payment into court, the court, if it affirm the report, shall render judgment in like manner as in cases provided for by the fourteenth section. From the time of any such judgment against the company, its right so to cut, quarry, dig, take or carry away, shall be suspended until the said judgment shall be satisfied.

29. It shall be the duty of commissioners appointed under the preceding

*The act from which this section is taken, provides that all acts and parts of acts in conflict with its provisions shall be repealed.

section, at the instance of any company authorized to construct a plank road, if required so to do by the tenant of the freehold or his tenant for years, to enquire in the first place whether, under all the circumstances of the case, it be reasonable and proper that the company should be allowed to take for its uses the timber or other materials which it is proposed to condemn. If the opinion of the commissioners on this point be adverse to the company, they shall report the same, with the reasons on which it is founded, to the court to which the justice appointing them belongs; and unless said report be reversed and annulled, neither of the commissioners nor the company shall have power to proceed further under the section aforesaid. If the opinion of the commissioners on such preliminary question be favorable to the company, and the tenant of the freehold and his tenant for years, if there be such, acquiesce therein, they shall proceed to discharge the other duties for which they were appointed. But if there be not such acquiescence, the commissioners shall report their opinion, with their reasons therefor, to the court aforesaid, and shall not proceed further in the discharge of their duties unless their report shall be confirmed.

Sheriff or sergeant to attend commissioners.

30. In any case in which a company, county or town may be entitled under this chapter, to enter upon any lands, the sheriff or sergeant, whenever required by such company, county or town, shall attend and remove force if necessary.

Disposition of its property when the corporation is dissolved; it may sue and be sued, &c.

31. When any corporation shall expire or be dissolved, or its corporate rights and privileges shall have ceased, all its works and property, and debts due to it, shall be subject to the payment of debts due by it, and then to distribution among the members, according to their respective interests; and such corporation may sue and be sued as before, for the purpose of collecting debts due to it, prosecuting rights under previous contracts with it, and enforcing its liabilities, and distributing the proceeds of its work, property and debts, among those entitled thereto.

Action and process against corporations before a justice; how process is served.

32. When an action is brought against any corporation before a justice of the peace, when the sum or thing does not exceed twenty dollars in value, it shall be sufficient in such case to serve the warrant or process against, or notice to, a corporation, on its mayor, rector, president, or other chief officer, or in his absence from the county or corporation in which he resides, or in which is the principal office of the corporation, against or to which the process or notice is, if it be a city or town, on the president of the council or board of trustees; or, in his absence, on the recorder, or any alderman or trustee; and if it be not a city or town, on the cashier or treasurer; and if there be none such, or he be absent, on a member of the board of directors, trustees or visitors. If the case be against a bank of circulation, and be in a county or corporation wherein the bank has a branch, service on the president or cashier of such branch bank, shall be sufficient; and if the case be against some other corporation than a bank, and there be not in the county or corporation wherein it is commenced, any other person on whom there can be service as aforesaid, service on an agent of the corporation, at least ten days before the return day of process, shall be sufficient. Service on any person, under this section, shall be in the county or corporation in which he resides; and the return shall show this, and state on whom and when the service was, otherwise the service shall not be valid. The warrant or process may be made returnable to any place within the county or corporation wherein the cause of action, or any part thereof, arose, and shall be served at least ten days before the time of trial.*

*There is some difference between this section and the section containing provision for the service of notice on corporations, in courts. See c. 166, § 7, authorizing orders of publication.—Acts 1872-3, c. 241, p. 230.

33. Attachments returnable before a justice of the peace, may be served upon a corporation as garnishee, in the manner prescribed by the preceding section.

34. The two preceding and succeeding sections, shall be construed as only applied to actions before a justice of the peace.

35. Provided, that when any suit is brought against a railroad company, under sections thirty-two, thirty-three and thirty-four, of this chapter, the agent on whom process may be served shall be construed to include a depot or station agent in the actual employment of the company, residing in the county or corporation wherein the action is brought.

Corporations not to charge more than legal interest; usury not to be pleaded by corporations.

36. Nothing in the act of incorporation of any insurance, banking or other corporation heretofore passed, shall be construed as giving any authority to charge, take or receive for the loan or forbearance of money, or for other thing, more than the legal rate of interest. No corporation shall hereafter interpose the defence of usury in any action; nor shall any bond, note debt or contract of such corporation be set aside, impaired or adjudged invalid by reason of anything contained in the laws prohibiting usury. [Acts 1872-3, p. 194.]

LAW OF VIRGINIA CONCERNING CHARTERED COMPANIES.

Part of Chapter Fifty-seven of the Code of Virginia (1873) as amended to January 1, 1881.

Notice of the opening of books to be given; price of the shares.

1. When, by an act incorporating a joint stock company, commissioners are appointed to receive subscriptions to the capital stock thereof, public notice for thirty days shall be given by them of the time and places at which books will be opened for subscriptions; and the subscriptions shall be in shares of one hundred dollars each.

Amount to be paid at the time of subscription in case of a bank.

2. If the act be to incorporate a bank of circulation, there shall be paid by every subscriber on each share subscribed for by him, as follows, to-wit: At the time of subscribing, ten dollars; immediately after the election of the first board of directors, twenty-five dollars; in thirty days from such election, twenty-five dollars; and the remaining forty dollars in two equal payments of twenty dollars each, in three and six months after the said election.

Amount to be paid in other joint stock companies.

3. Upon every subscription (for shares in any joint stock company) not provided for by the preceding section, there shall be paid upon each share two dollars at the time of subscribing, and the residue thereof as required by the president and directors. The sums which under this and the preceding section are payable at the time of subscribing, shall be paid to the commissioners.

Subscriptions to railroad and canal companies may be made in land.

4. Hereafter it shall be lawful for any railroad or canal company which may be projected or in process of construction to receive land in lieu of money in payment of subscriptions to the unsubscribed capital stock thereof; which land may be received by said company in payment of such subscriptions at such valuation as may be agreed upon between said company and the party desiring to make such payment.

Power over such land.

5. Such company may receive and hold any real estate which may be thus conveyed to them in payment of subscriptions to the unsubscribed capital stock thereof, and may sell, lease, mortgage and encumber the same in such manner as said company may deem best.

Books, how long kept open ; subscriptions, when sealed.

6. The books for subscriptions shall be kept open for ten days. If within that time more than the whole capital stock be subscribed, the commissioners at the place first named in the act shall reduce the subscriptions so as to have the amount of such capital stock and no more, deducting the excess from the largest subscriptions in such manner that no subscriptions shall be reduced while any one remains larger.

If whole stock not taken in ten days, commissioner's power to keep open books, &c.

7. If at the end of the ten days so much of the capital stock shall not have been subscribed as is necessary to incorporate the subscribers, the books may thereafter be continued open or closed, and re-opened from time to time, with or without notice, as the commissioners at the said first named place may deem best, until the whole capital stock shall be subscribed, or until the election of the president and directors.

When commissioners to call meeting, and how ; effect of a meeting to incorporate subscribers.

8. When it shall appear to the commissioners at the place first named in the act, that so much of the capital stock is subscribed as is sufficient to incorporate the subscribers, the said commissioners shall give notice thereof by publication in a newspaper, for not less than two weeks, and call a general meeting of the subscribers at a certain time and place, which time shall not be less than fourteen nor more than thirty days from the first day of such publication. The subscribers, their executors, administrators or assigns, shall stand incorporated from the time of such meeting, unless in said meeting it be determined otherwise.

Annual meetings ; list of stockholders, &c.

9. An annual meeting of stockholders in any joint stock company, whether incorporated heretofore or hereafter, shall be held on such day as is or may be prescribed by law, or if none be so prescribed, on such day as the stockholders may in general meeting, from time to time appoint, and at such place as shall be fixed from time to time by the board of directors, of which notices shall be published for two weeks in a newspaper. A list of the stockholders in any bank shall, for one month before the annual meeting, be hung up in the most public room of the bank.

When general meetings may be called, and how.

10. A general meeting of stockholders may be held at any time, upon the call of the board of directors, board of public works (where the State is a stockholder), or of stockholders holding together one-tenth of the capital stock, upon their giving notice for the time and place for such meeting, for thirty days, in a newspaper published in or near the place at which the last annual meeting was held.

Meetings, how constituted.

11. To constitute a meeting of stockholders, other than the annual meeting of stockholders of a bank of circulation, there must be present those who can give a majority of all the votes which could be given by all the stockholders. If a sufficient number fail to attend at the time and place for meeting, those

who do attend may adjourn from time to time until a meeting shall be regularly constituted. The annual meeting of the stockholders of a bank of circulation may be held by any number that may be present. A meeting of stockholders may adjourn from time to time, until its business is completed.

Scale of voting; limit on state vote; state proxies, how appointed.

12. In a meeting of stockholders, each stockholder may, in person or by proxy, give the following vote on whatever stock he may hold in the same right, to-wit: one vote for each share of such stock not exceeding ten, and one vote for every four shares exceeding ten. But when the state is a stockholder, her vote shall not exceed two-thirds of the whole number of votes given by others in the same election or on the same question; and if the company be one in which a portion of the directors is appointed on behalf of the state, such vote shall not be cast in the election of directors. The proxy of the state shall be appointed by the governor, except when it may be otherwise provided by law.*

As to vote on transferred stock.

13. When a vote is offered to be given at any meeting, upon stock transferred within sixty days before such meeting, if any present object to the vote, it shall not be counted, unless the stockholder has made or shall make oath that the stock on which such vote is to be given, is held by him bona fide, and not by virtue of a transfer made with intent to give more votes than is allowed by the preceding section.

President and directors, how appointed; powers and term; removal from office.

14. There shall be for every company a president and directors, who shall be a board to have all things done that are proper to be done by the company, except so far as may be otherwise provided by any law of the state, or any by-law or regulation of the stockholders. The stockholders may, in general meeting, prescribe the number of directors by a by-law, to take effect at the next annual meeting; but unless a different number be prescribed, there shall be five directors besides the president. The directors, and where it is not otherwise provided, the president also, shall be elected by the stockholders in general meeting, with this exception only, that where the governor, or board of public works, may, on behalf of the state, lawfully appoint a portion of the directors, and makes such appointment, the residue shall be elected in general meeting by stockholders other than the state. The stockholders, in general meeting, or other appointing power, as the case may be, may remove any director and fill the vacancy caused by such removal; but unless so removed, the directors shall continue in office until the next annual meeting of the stockholders, and until their successors shall be appointed. Should the number of directors be at any time reduced below the number necessary to hold a meeting of the board, the stockholders, or other appointing power, may fill the vacancies.

* In an act in force March 4, 1873 (Acts 1873-3, c. 111, p. 92), "to authorize the formation of the Virginia mining, manufacturing and transportation company," there is a provision which seems to apply to all improvement or railroad companies in all parts of the state, without limitation, though found in a mere local and private corporation. It is in these words: "Provided, that from and after the passage of this act, any county, city or town in this state, which may be the owner of stock in any improvement or railroad company, may vote such stock through their proxy or legal representative, without the process of scaling, but shall vote one vote for each and every share of stock so owned and held by them."

This provision is not inserted in the text of the Code, because it is supposed to have been intended to be confined to the subject embraced in the title of the act.

The 4th section of an act entitled "An act directing the board of public works to sell the states interest in the various internal improvement companies of the commonwealth," approved March 28th, 1871, [See ante p. 41,] prescribes that after state stock in companies has been transferred to the company, "every stockholder shall be entitled to cast one vote for each share of stock held in the company at all meetings of the stockholders hereafter held." This is the rule, therefore, of the Midland Railway Company.

Their compensation ; vacancies in board, how filled.

15. There shall be no compensation for services rendered by the president or any director, unless it be allowed by the stockholders. During the absence of the president, the directors may appoint a president pro tempore. The directors may also fill any vacancy which may occur in the office of president or director otherwise than by removal.

Cashier and other officers ; their bonds.

16. The board shall appoint a cashier or treasurer, and such other officers and agents as it may deem proper, and prescribe their compensation. They shall give bonds, payable to the company, with such conditions as the board may require, and with such sureties as it may approve, and hold their places during its pleasure.

Account books to be kept, and open to board.

17. The board shall cause regular books of account to be kept, and balanced annually or semi-annually. All books, papers, correspondence and funds in possession of any officer of the company, shall at all times be subject to the inspection of the board, or a committee thereof.

When board shall meet ; its proceedings.

18. The board shall hold meetings at such times as they shall see fit, or the president shall require. Questions before it shall be decided viva voce. No member of the board shall vote on a question in which he is personally interested otherwise than as a stockholder. The names of those voting each way shall be taken down, if desired at the time by any member. There shall be a record of such votes, and of all other proceedings of the board ; and the same shall be verified by the signature of the president, or president pro tempore.

Their annual report ; proceedings open to stockholders.

19. The board shall make a report to the stockholders at their annual meeting of the condition of the company. Accompanying the report there shall be statements of the receipts and disbursements for a year ending on such day as the by-laws may prescribe, and a statement of the surplus or contingent fund then on hand. Within thirty days next before such meeting the record of the proceedings of the board shall be open to the inspection of three or more stockholders, holding together one hundred shares of the capital stock. It shall be produced to the stockholders when demanded by them at any meeting.

Books of subscription delivered to directors ; they may receive subscriptions or sell ; at what price.

20. Immediately after the election of president and directors, the books for receiving subscriptions shall be delivered to them. If the whole capital stock shall not have been subscribed, they shall take measures for obtaining subscriptions of the residue. They shall not, to obtain subscriptions, sell the stock at less than par, but may fix the price of such residue at a premium, which shall be for the benefit of all the stockholders ratably.

Shares of stock personal estate and assignable.

21. Shares of stock shall be deemed personal estate, and as such shall pass to the personal representative or assignee of a stockholder. A book shall be kept by the company, in which the shares may be assigned.

How money received for subscriptions to be paid.

22. Immediately after the election of president and directors, the money paid upon shares at the time of subscribing shall be paid by the commission-

ers, who may have received the same, to such person or in such manner as the president and directors may require. In case of failure so to pay, the company may recover the same against such commissioners by warrant or by action, according to the amount, or by motion in lieu of an action.

How to proceed against delinquent stockholders.

23. If the money which any stockholder has to pay upon his shares be not paid, as required by the president and directors, the same, with interest thereon, may be recovered by warrant, action or motion, as aforesaid; and such action or motion may be brought or maintained in the circuit court of the county or corporation wherein the principal office of the company is, although none of the defendants reside therein; or such shares may, after notice in a newspaper for one month, of the time and place of sale, be sold at public auction for ready money, and transferred to the purchaser: provided, that this section shall not apply so as to include policy holders in mutual insurance companies, who are not otherwise stockholders in said companies: provided, that such warrant, action or motion, against policy holders in mutual insurance companies, who are not otherwise stockholders and against stockholders in any company chartered for the purpose of making any work of internal improvement, shall be maintained only in the county or corporation of the residence of such policy holders and stock holders, and as provided by the code of eighteen hundred and seventy-three.—[Acts 1875-'76, p. 241.]

How proceeds of sale applied.

24. Out of the proceeds of such sale there shall be paid the charges, and the money which ought to have been paid upon the said shares, with interest thereon. Any surplus shall be paid to the delinquent or his representative.

If subscription not paid by sale of stock, it may be recovered from subscriber.

25. If there be no sale for want of bidders, or if the sale shall not produce enough to pay the charges, and the money which ought to be paid with interest, the company may recover against such stockholder whatever may remain unpaid, with interest thereon, by warrant, action or motion, as aforesaid.

Stock not assignable until paid up.

26. No stock shall be assigned on the books without the consent of the company, until all the money which has become payable thereon shall have been paid; and on any assignment the assignee and assignor shall each be liable for any instalments which may have accrued, or which may thereafter accrue, and may be proceeded against in the manner before provided.

Who deemed owner of stock as to company.

27. A person in whose name shares of stock stand on the books of a company shall be deemed the owner thereof as it regards the company.

Certificates of stock, how issued.

28. The president and directors shall issue to each person appearing on the books of the company as owner of any shares of stock fully paid on, a certificate for such shares under the seal of the company, signed by the president, and countersigned by the secretary, treasurer or cashier.

When stock may be transferred, and how transfer made.

29. If any such person shall, for valuable consideration, sell, pledge or otherwise dispose of any of his shares of stock to another, and deliver to him the certificate for such shares, with a power of attorney authorizing the transfer of the same on the books, the title of the former (both at law and in equity) shall vest in the latter so far as may be necessary to effect the purpose of the sale,

pledge or other disposition, not only as between the parties themselves, but also as against the creditors of and subsequent purchasers from the former, subject to the provision of the twenty-sixth section.

Certificate to be returned when stock transferred, and new issued.

30. The person to whom any such certificate may be issued may return the same to the office of the company, and, in person, or by an attorney acting under a power from him, assign on the books of the company either the whole number of shares mentioned in such certificate, or a less number. The certificate so returned shall be cancelled and filed in the company's office. And thereupon so many new certificates shall be issued, and to such person or persons as may be proper in the case.

How certificate of stock renewed in place of lost one.

31. When a person to whom such a certificate is issued alleges it to have been lost, he shall file in the office of the company, first, an affidavit, setting forth the time, place and circumstances of the loss; second, proof of his having advertised the same in a newspaper once a week for two months; and, third, a bond to the company with one or more sufficient sureties, conditioned to indemnify all persons against any loss in consequence of issuing a new certificate in place of the former; and thereupon the board may direct such new certificate, and the same shall be issued accordingly.

When dividends declared; how applied when stockholder owes company.

32. The board shall semi-annually declare dividends of so much of the net profits of the company as it may deem it prudent to divide. If any stockholder be indebted to the company, his dividend, or so much as may be necessary, shall be passed to his credit in payment of the debt.

Members of board liable, if capital be declared as dividend.

33. If the board shall declare a dividend of any part of the capital stock of the company, all the members of the board who shall be present, and not dissent therefrom, shall, in their individual capacity, be jointly and severally liable to the company's creditors for the amount of capital so divided, and may be decreed against therefor, on a bill in equity filed on behalf of such creditors; and moreover, each stockholder who shall participate in such dividend shall be liable to such creditors to the extent of the capital stock so received by him.

When capital may be divided.

34. The stockholders in general meeting of any company, incorporated for manufacturing or mining, and out of debt, may order dividends of capital stock. But before such dividend is made, notice of the order must be posted at the door of the courthouse of the county or corporation wherein the general meeting was held, on the first day of three successive courts, or published for three months in a newspaper circulating in the neighborhood.

Notice of dividends required; uncalled for dividends to be paid into State treasury.

35. Of every dividend declared, and of the time and place appointed for the payment thereof, the board shall cause notice to be published in some newspaper printed in the city of Richmond, or in or near to the town and place in which the principal office of the company may be situated. In January, eighteen hundred and fifty, and once in every five years afterwards, they shall publish in such newspaper a list of all dividends which have remained unpaid for two years or more, with the names of the persons to whose credit such dividends stand. Every such notice or list shall be published in three successive papers. All dividends declared by all incorporated institutions and joint stock companies, and not called for for two years next preceding, and all dividends that have been already declared, and not called for for the term of two years,

shall be by said institutions and joint stock companies paid into the public treasury, to be subject to the order of the shareholder, or his legal representative, when called for—the shareholder establishing his right thereto to the satisfaction of the auditor of public accounts.

* * * * *

Usury not to be pleaded by chartered companies

39. No incorporation shall hereafter interpose the defence of usury in any action; nor shall any bond, note, debt or contract of such corporation be set aside, impaired, or adjudged invalid by reason of anything contained in the laws prohibiting usury.

Not to charge more than legal interest.

40. Nothing in the act of incorporation of any insurance, banking, or other corporation, heretofore passed, shall be construed as giving any authority to charge, take or receive, for the loan or forbearance of money, or for other thing, more than the legal rate of interest.

How Companies borrow money.

41. No company in which the state is a stockholder shall issue bonds or certificates of debt to others than the state, to an amount greater than its capital, nor bearing a rate of interest exceeding eight per centum, nor shall it sell any such bonds at a discount exceeding ten per centum. But no such bonds or certificates of debt shall be issued after the completion of the main line of such road; nor shall any bonds or certificates of debt be issued for any purpose other than the construction and equipment of the main line.

42. No issue of bonds shall be made under this act, unless the board of public works shall have first certified that it is made in accordance with the provisions thereof.

43. Railroad companies in process of construction, one-half of whose original capital stock has been actually paid in, may borrow money according to the provisions of this act. And no companies, one-half at least of whose original capital stock has not been paid in, shall borrow money by a sale of its bonds or certificates of debt.

When reports to be made.

44. All annual reports of companies, boards or other institutions now required by law to be made to the governor, or to the board of public works, or to the board of education, shall be made on or before the first day of October in each year.*

45. If any company, board or other institution as aforesaid shall have failed to comply with the provision in the preceding section, on the fifteenth day after the said first day of October, it shall be the duty of the officer or board to whom the said report should have been made, or of the secretary of such board, if the same be not in session, to report such failure immediately to the attorney-general; and it shall be his duty, after giving to the said company, board or other institution ten days' notice, to proceed against the same for such failure, by motion in the circuit court of the city of Richmond. Such court shall consider said cases privileged cases, and it shall be its duty to enter up a judgment for a fine of one hundred dollars in each case, and for the costs in addition thereto, including a fee of twenty dollars for the services of said attorney-general.† Execution shall be awarded against the officers or man-

*The 49th section of chapter 61, prescribes that the reports of all railroad companies in which the state is interested, or whose road is entirely within the state, shall be made up to the 30th of September, and be filed on or before the 15th of November annually; and the 51st section of the same chapter provides that the reports of all canal and navigation companies in this state shall be made in like manner.

†A different penalty is imposed on railroad and canal and navigation companies for failing to make their reports. See c. 61, § 53.

agers of said company, board or other institution, to be levied as other executions are levied upon the individual property of all or either of them. And the said officers or managers shall not be exonerated from the payment of the said fine and costs, unless upon satisfactory proof to said court that the reports required to be made by said company or institution were duly mailed, transmitted or delivered to the proper officer on or before the day required.

LAW OF VIRGINIA CONCERNING WORKS OF INTERNAL IMPROVEMENT.

Parts of Chapter Sixty-first of the Code of Virginia as amended prior to January 1, 1881.

To what companies this chapter applies.

1. Every company which is governed by the act passed on the seventh day of February, eighteen hundred and seventeen, prescribing certain general regulations for the incorporation of turnpike companies, or by the act passed on the eleventh day of March, eighteen hundred and thirty-seven, prescribing certain general regulations for the incorporation of railroad companies, and every company which, after the commencement of this act, shall be incorporated to construct any work of internal improvement, shall be governed by the provisions contained in the fifty-seventh chapter and in this chapter, so far as they can apply to such company without violating its charter.

Certain preliminary expenses; how paid.

2. Expenses incurred, prior to the organization of any company, for preliminary surveys, or for stationery or advertising, may, if deemed reasonable by the president and directors, be paid by their order.

How roads made and bridges built and kept.

3. Every road shall be of the width and its works constructed in the manner prescribed by the act of incorporation. Bridges shall be made where necessary; and all the works of the company kept in good order.

Milestones.

4. The company shall place along its works milestones or posts, whereon the distance from or to some well known point, or from or to the beginning or end of the work, shall be correctly and plainly denoted by letters and figures.

Branch roads or lateral works.

5. The president and directors of any company incorporated to construct a railroad or other work of internal improvement, may cause to be made in connection therewith branch railroads or lateral works, not exceeding two miles each way in length, and, under a resolution adopted in general meeting by two-thirds of all the votes, of all the stockholders, may cause to be made branch railroads or lateral works, not exceeding twenty miles in length. [See Acts 1879-80, p. 163.]

* * * * *

When and how a railroad company shall transport; and its rates of toll.

16. So soon as any portion of a railroad may be ready for transportation, the railroad company may, by its officers and agents, or by contractors, transport persons and property on the same, for which purpose there shall be kept in good order such locomotives, cars and other things, as may be proper. The

company shall have the exclusive right of transportation on its road; and shall, upon the payment or tender of the lawful rates of toll, transport to and deliver at any depot or other regular stopping place indicated by the owner, such articles as shall be delivered or offered at any depot or other receiving place, in proper condition, to be transported. The property of all persons shall, as far as practicable, be transported in the order of time in which it shall be delivered or offered, and the tolls paid or tendered.

Penalty for failures.

17. If the railroad company shall, after payment or tender of the lawful tolls, fail to receive or to transport, or to deliver in a reasonable time, any property so delivered or offered, or fail to take up or set down any passenger at such depot or other regular stopping place, as he may desire, or if the said company shall demand and receive more than is lawful, it shall forfeit to the injured party a sum, to be recovered by motion or action, of not less than twenty-five nor more than one hundred dollars.

Rates of toll on railroads.

18. On a railroad on which different rates are not prescribed by law, the following rates of toll may be charged for transportation, to-wit: Of a person and his baggage within a hundred and fifty pounds, not exceeding six cents per mile; of produce and other articles, except gypsum, lime, guano and other specific manures, not exceeding eight cents per ton per mile; and gypsum, lime, guano and other specific manures, not exceeding four cents per ton of twenty-two hundred and forty pounds per mile; and for the transportation of any person, or of any produce or other articles for a distance less than ten miles, a charge may be made at the foregoing rates as for ten miles. And where articles weigh less than four pounds to the cubic foot, a toll may nevertheless be charged on each cubic foot as for four pounds weight. And when the articles in any one consignment weigh less than one hundred pounds, a toll may be charged on the same as for one hundred pounds weight. If for the transportation of any person with his baggage, or for any consignment, the whole charge at the rates before mentioned would be less than twenty-five cents, the same may nevertheless be charged as a minimum. For the weighing, storage and delivery of articles at any depot or warehouse of the company, a charge may also be made not exceeding the ordinary warehouse rates charged in the town in which, or nearest to which, the depot or warehouse is situated.

19. It shall not be lawful for railroad companies, or their agent or agents, at any depot in this state, to charge or receive any fee or commissions other than the regular transportation fees, storage and other charges authorized by law, for manifesting, receiving or shipping of any goods or other articles for transportation on such railroad or railroads. Any railroad company, or its agent or agents, who shall violate this act, shall forfeit and pay one hundred dollars for the use of the commonwealth; to be recovered by motion in any court of record, after ten days' notice that such motion will be made: provided, that nothing in this act contained shall be construed to prevent such companies or their agents from charging such fees and commissions, other than the regular transportation fees, for manifesting, receiving or shipping of goods or other articles for transportation on such roads, at intermediate points thereon, between what are known as the regular depots, as may be agreed on between the patrons and such companies or their agents.

Transportation of mails.

20. Congress having established every railroad a post route, every railroad company shall cause the mail to be transported on its railroad on such terms as may be agreed on by the postmaster-general and the company; and if they cannot agree, then on such terms as the governor of the State, the attorney-general and the proxy of the board of public works in such company shall ad-

judge to be reasonable, after hearing the views of the company and of the postmaster-general.

Railroad and canal companies to publish rates of charge; how such rates are altered; not to charge greater or less rates.

21. It shall be the duty of each and every railroad and canal company in this state to publish its rates of charge for freights and tolls, and for the transportation of passengers, and to cause the same to be kept conspicuously posted up at each of its several business stations or offices; and no such company shall change or alter said rates, except and until after ten days' notice of such change or alteration, given in the manner aforesaid at each of its business stations or offices, and by publication in some newspaper published at some point on the line of such railroad or canal, where the same can be done.

22. No railroad or canal company in this state, or its officers or agents, shall transport, or contract to transport, freight or passengers at a greater or less charge than is fixed in such published tariff of such company; and it shall be unlawful for any such company to evade, or attempt to evade, by drawback, or in any other manner, the provisions of this section.

23. No railroad, canal, steamboat, steamship or transportation company, or other common carrier chartered by or doing business in this state, shall charge, take or receive a greater sum for the transportation of any person, or passenger, or matter of freight, over a portion of its line or route, whether such shall, in whole or only in part, be within the limits of this state, than is charged by such company, or other common carrier, for the like transportation of the like class of persons, or passengers, or matter of freight, over the entire length of its line or route; nor shall any such company, or other common carrier, charge, take or receive a higher rate of compensation for transporting any person or matter of freight over a portion of the whole length of its line (whether such transportation shall be done directly by the agents, engines, cars, boats or other vehicles of such company, or by those of other persons, parties, or corporations, as such may be expressly allowed by law), going from any city within the state and destined for any point beyond, than is charged, taken or received by such company or other carrier on its own account directly, or by any other agent or agency is charged, received or taken, at the same time, for the like transportation over the entire length of its line, of the like class of persons or passengers, or the like matter of freight, coming from any point beyond the state and destined for or consigned to the same place; nor shall any such company, or other common carrier, charge, take or receive, or allow to be charged, taken or received, for transportation of any person or matter of freight, coming from the same point beyond the state and destined for any one of the cities of Virginia, a higher rate than is charged at the same time for the like transportation over the entire length of its line of the like class of persons, or the like matter of freight, coming from the same point and destined for any place beyond the limits of the state; nor shall any such company or other common carrier violate or evade such conditions in or under any manner of arrangement by schedule, through ticket fares, through transportation bills and rates, nor by contract or otherwise undertake to rent, let or farm out the whole or any part of its local or through tonnage business, nor employ on shares or commissions any person, party, agency or corporation to solicit, or otherwise procure the whole or any part of such tonnage business; nor shall any such company or other common carrier allow through tickets or through baggage checks to be issued over its line by any company or transportation line, its agents or agencies not incorporated by this state, which such company or line shall refuse or inhibit by any means any other such company or transportation line incorporated by this state, the privilege of issuing by its own local agents, and such agents or agencies as it may establish in any city or elsewhere, through tickets and baggage checks over such company's road or transportation line not incorporated by this state. [See Acts 1874-'75, p. 413.]

24. No railroad, canal company or other common carrier, chartered by or doing business in this state, shall make or give any undue or unreasonable preference or advantage to or in favor of any particular citizen of this state, or any particular description of traffic, in any respect whatsoever, nor shall any such company or common carrier subject any particular citizen of this state, or any particular description of traffic, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.—[Acts 1874-'75, p. 443.]

25. It shall be the duty of the board of public works to make inquiry and examination, from time to time, into acts and proceedings of the railroad and canal companies within this state, their officers and agents, for the purpose of ascertaining whether anything shall have been done, or omitted to have been done, in violation or contravention of this act, and if such shall be the case, to report the same to the general assembly.

26. Any person or company complaining against any railroad, canal company or other common carrier, of anything done, or of any omission made in violation or contravention of this act embracing sections twenty-three and twenty-four, may apply to a circuit court, or to a judge thereof, who may hear and determine the matter of such complaint; and if it appear to such court or judge on such hearing, or on the report of any commissioner to whom the subject of the complaint may have been referred, that anything has been done, or omission made, in violation or contravention of this act, by such company or common carrier, such court or judge shall issue a writ of injunction restraining such company from further continuing such violation or contravention of this act, and enjoining obedience to the same. Any person or company violating any of the provisions of sections twenty-three and twenty-four of said chapter sixty-one, shall, for the first violation be fined five hundred dollars, and for the second and each succeeding violation, five thousand dollars, for the use of the commonwealth, to be recovered by motion in any court of record, after ten days' notice that such motion will be made.—[Acts 1874-'75, p. 443.]

Express transportation over railroads; passenger trains may charge higher rates than freight trains; regulations therefor; charge for coin, bullion, and small packages.

27. It shall be lawful for any railroad company in this commonwealth to transport or carry, by or upon the passenger trains of such railroad company, upon its own account or in conjunction with any other railroad or steamboat company, and for a rate of compensation exceeding that charged by said railroad company upon its regular freight trains, any articles or things: provided the amount of such articles or things to be so transported or conveyed, at any one time or by any one of such passenger trains, shall not exceed fifteen thousand pounds in weight; and whenever any such articles or things are offered by any person or persons, or any corporation, company or association, to be so transported or conveyed, and the amount so offered to be transported or conveyed by any one train shall exceed fifteen thousand pounds in weight, said railroad company shall convey said articles and things in ratable proportions as to the whole amount so offered to be transported or conveyed by all said persons, corporations, companies and associations. For transporting or conveying such articles or things, such railroad company may demand and receive a rate of compensation for such service not exceeding one dollar and forty cents for every dollar charged by such company, at the time, for transporting or conveying a like amount of similar articles or things, by and upon the regular freight trains of such company; except that for packages weighing less than five pounds, such company may charge twenty cents for all distances; and for packages weighing more than five and less than fifty pounds, may charge fifty cents for all distances in this state; and for transporting or conveying by or upon said passenger trains, coin, bullion, bank notes, bills of exchange, promissory notes, or other evidences of debt, may demand and receive a rate of compensation for such service, not exceeding one-tenth of one per centum of the value of the same for every hundred miles, and ratably for a longer or

shorter distance. Any corporation, company, association, or person or persons, who shall obtain from a railroad company in this commonwealth the right or privilege of transporting or carrying any articles or things by or upon the trains of such railroad company, for the purpose of receiving compensation for the same, may demand and receive for the service so rendered in transporting or carrying such articles or things, a rate of compensation not exceeding one dollar and fifty cents for every dollar charged by such railroad company at the time for transporting or carrying a like amount of similar articles or things by the regular freight trains of such railroad company, except that for transporting or carrying packages weighing less than five pounds, the rate of compensation shall not exceed twenty-five cents for any distance within this state, and for packages weighing more than five and less than fifty pounds, the rate of compensation shall not exceed fifty cents for all distances within the state; and for coin, bullion, bank notes, bills of exchange, promissory notes and other evidences of debt, the same rate of compensation allowed by this section to railroad and steamboat companies; but nothing herein contained shall be so construed as to permit any railroad or steamboat company, or any corporation, company, association, or person or persons, for any service rendered or performed by such railroad or steamboat company, or such corporation, company, association, or person or persons, to demand or receive any additional compensation for such service, or for receiving or delivering such articles or things, or as a premium for insuring the same against loss or damage from any cause, or for any other consideration whatever.

Terms upon which foreign express companies may do business in this state; securities to be deposited with state treasurer; regulations therefor; when securities to be restored.

28. If any company, corporation or association not incorporated by or formed in this state, or any person or persons, not a resident or residents of this state, shall obtain from a railroad company of this commonwealth the right or privilege to transport or convey any articles or things by or upon the trains of such railroad company, for the purpose of receiving compensation for the same, such corporation, company, association, or person or persons, shall not be permitted to transport or convey such articles or things, by or upon such trains, without having first deposited with the treasurer of the commonwealth an amount not less than fifty thousand dollars of the six per centum bonds of the state of Virginia, or other bonds of public corporations, guaranteed by the state of Virginia, or bonds of individuals resident of this state, executed for money loaned or debts contracted since the second day of April, eighteen hundred and sixty-five, and secured by deed of trust on real estate in this state. If the bonds deposited with the treasurer, as aforesaid, are registered or individual bonds, the corporation, company, association, or person or persons, so depositing the same, shall, at the time of the deposit, deliver to the treasurer a power of attorney, authorizing him to transfer the said bonds, or any part of them, for the purpose of paying any of the liabilities provided for in this act. The treasurer, at the time of receiving said bonds, shall give to the depositor or depositors authority to draw the interest thereof, as the same may become due and payable, which authority shall continue in force until said depositor or depositors shall fail to pay any of the liabilities of the said depositor or depositors, incurred in transporting or conveying articles or things, as aforesaid, for any citizen or inhabitant of this state, in which case the party charged with the payment of such interest shall be forthwith notified of such failure, and thereafter such interest shall be payable to the said treasurer, to be applied, if necessary, to the payment of such liabilities. If any depositor or depositors of the said bonds shall fail to pay any of said liabilities to any citizen or resident of this state, when the same shall have been ascertained in any mode agreed upon by the parties, or by the judgment, decree or order of a court having jurisdiction thereof, the treasurer shall, upon the application of the party to whom the liability is due, proceed to sell at

anction such an amount of said bonds as, with the interest in his hands, will pay the amount due and the expenses of sale: provided, that the party making the application shall give to the said depositor or depositors, or his or their agent, residing in this state, ten days notice of his intention to make such application. If any corporation, company, association, or person or persons, having deposited bonds, as aforesaid, with the treasurer of this state, shall cease to carry on the business of transporting and conveying articles or things in and upon the trains of the railroad companies, and shall have satisfied all liabilities, fixed and contingent, incurred in such business, to the citizens and inhabitants of this state, then the said treasurer shall deliver to said corporation, company, association, or person or persons, the bonds deposited by them, respectively, as aforesaid. Nothing herein contained shall be so construed as to require any additional deposit with the treasurer of the state, when such right or privilege as is herein provided for shall be obtained from more than one railroad company of the commonwealth.

Railroad companies not liable as common carriers, for articles expressed by other companies.

29. Whenever any corporation, company, association, or person or persons, shall obtain from a railroad company of this commonwealth the right or privilege of transporting or carrying articles or things by or upon the trains of such railroad company, for the purpose of receiving compensation for the same, and any person or persons whatever, shall deliver to such corporation, company, association, or person or persons, or to their agents or employees, any articles or things whatever, to be transported or conveyed, under the management, supervision, or direction of the said corporation, company, association, or person or persons, or their agents or employees, by or upon the trains of such railroad company, such railroad company shall not, in any manner, be liable as a common carrier, in respect to such articles or things.

Not legal to rent out tonnage by freight trains.

30. Nothing contained in this act shall be so construed as to permit any railroad company of this commonwealth, by contract or otherwise, to rent, let, or farm out, in any manner whatever, any part of its tonnage business by freight trains; but every such company shall remain as fully and firmly bound to transport and carry all descriptions of freight offered for transportation by freight trains, and under the provisions of the laws of this state, and the terms of their charters, as though this act had not been passed.

Rates of freight received out of, or to be delivered out of, state.

31. Whenever any corporation, association, co-partnership, or person or persons, shall obtain from a railroad company of the commonwealth the right or privilege of transporting, carrying or conveying, in or upon any train or trains, running upon or over the railroad or such company, any articles or things, for the purpose of receiving compensation for the same, and said corporation, association, co-partnership, or person or persons, shall receive any articles or things at a place without the limits of the commonwealth, to be transported, carried or conveyed, to a place within said limits, or shall receive said articles and things at a place within the limits of the commonwealth, to be transported, carried or conveyed to a place without said limits, the amount of compensation demanded by such corporation, association, co-partnership, or person or persons, shall be regarded as a uniform rate of charge per pound, and per package per mile, for and throughout the whole distance within and without the limits of the commonwealth, for which said articles or things were so transported, carried or conveyed, unless it should otherwise appear by sufficient evidence.

Penalties for violation of act.

32. Any corporation, railroad, or steamboat company, or any association or

co-partnership, or any agent or employee of such corporation, association or co-partnership, or any other person or persons, who shall violate any of the provisions of this act, shall forfeit and pay not less than one hundred dollars, one-half for the use of the informer, and the other half for the use of the commonwealth, to be recovered by motion in any court of record, after ten days' notice that such motion will be made.

Express, railroad and transportation companies may sell unclaimed baggage for charges for freight, &c.; notice to be given; balance to be paid claimant or deposited in state treasury; how applied.

33. Any express or railroad company, or persons engaged in the express business, or in any way in the transportation of goods or articles of any kind, from one part of the country to another, as freight or baggage, and having an office or place of business in the state, who shall have had any unclaimed articles, goods or things, not perishable, in its, his or their possession for a period of sixty days, at least, may, at the expiration of that time, proceed to sell the same at public auction; and out of the proceeds may retain the charges of transportation and storage of such articles, goods or things; which expense and charges shall be a lien upon such articles: provided, that said company, person or persons shall first give public notice of such sale, in one or more newspapers, once a week for four successive weeks, published at the place nearest the said place of sale, which notice shall set forth the time and place of sale, the character of each unclaimed package distinctly, and the name of the person or persons to whom it is directed, if known.

34. Such company or persons engaged in the express or transportation business, shall make an entry of the balance of the proceeds of sale of each article, goods or things, directed to the same person or persons, as near as can be ascertained, and at any time within three years thereafter, shall refund any surplus so retained to the owner of such articles, goods or things, or to their personal representatives, upon satisfactory proof of such ownership, and shall, if no claim is made for such retained balances, accompanied by satisfactory proof, within three years, pay the same into the treasury of the state, with a correct list of all and every article sold by said company, with the name or names of the person or persons to which said packages originally belonged. The treasurer shall receipt to said companies or agents for the same, and shall keep a correct list thereof, and the sum or sums so paid in shall be applied to the support of public schools.

To what companies privileges of act extended.

35. The provisions of this act, and the privileges and powers herein granted, shall not extend to any company not incorporated by the legislature of this state, the congress of the United States, or the legislature of one of the states of the United States.

Duties of railroad companies in regard to opening their ticket offices; penalty for failure.

36. It shall be the duty of the railroad companies in this state to have their ticket offices opened, and their agents for the sale of tickets in attendance, and at the termini of such roads, the passenger cars open for the admission of passengers, and baggage cars open for the reception of baggage, at least one hour before the advertised hour of departure of every passenger train. Any railroad company failing or refusing to comply with this act, shall be liable to a fine of not less than fifty nor more than five hundred dollars for every such failure or refusal, to be recovered, for the benefit of the commonwealth, by motion, after ten days' notice to the president or superintendent of such road, in the circuit, or county or corporation court of the county, city or town wherein the depot of such railroad is situated.

Collection of tolls.

37. Every company shall, from time to time, cause a list of its rates of toll to be printed, and have such rates posted where they can readily be seen by persons using its work. When the rates of a turnpike company are not posted at its toll-gate, no tolls shall be received thereat.*

* * * * *

As to tolls on persons in military or naval service, and on their arms, &c.

40. In time of war, invasion or insurrection, troops or persons in the military or naval service of this state, or of the United States, with their arms, munitions and baggage, shall be promptly transported on a railroad in preference to other persons and property. And when troops or persons in such service pass on a work of internal improvement, the tolls on them shall not exceed, on a railroad, one-half, and on another work one-fourth of the rates on other persons.

Railroad companies to employ police agents; conductors of trains and depot agents to be conservators of the peace.

41. The president of any railroad company incorporated by this state may, with the approbation of the county court of any county through which the road may pass, appoint a police agent or agents, who shall have authority upon the road and other property within this state, of such company, to exercise all the powers which can lawfully be exercised by any constable for the preservation of the peace, the arrest of offenders and disorderly persons, and for the enforcement of the laws against crimes; and such president may remove such agents at his pleasure: provided, that any county court giving such consent may at any time revoke it.† Conductors of railroad trains, and station or depot agents, are hereby declared to be conservators of the peace, and they and each of them shall have the same power to make arrests that justices of the peace now have; except that the conductors shall only have such power on board their respective trains, and the agents at their respective places of business; and the said conductors and agents may cause any person or persons so arrested by them to be detained, and delivered to the proper authorities for trial as soon as practicable.

Company may construct a telegraph.

42. Any company may construct and maintain along the line of its improvement an electric telegraph for its own use and that of the public, and make charges on messages and intelligence conveyed thereby.

Power to borrow money.

43. No company, which by its charter has no express power so to do, shall borrow money until there shall be paid up and expended or appropriated the whole amount of capital stock subscribed, with the exception only of losses by delinquent or insolvent stockholders. But the president and directors may borrow an amount not exceeding that part of the capital stock which is unsubscribed, and may issue certificates for the money so borrowed, and may make such certificates convertible, within a prescribed time, into stock of the company, at the pleasure of the holder.

Sale of company's property under a deed of trust; what it passes; company dissolved and purchaser a corporation.

44. If a sale be made under a deed of trust or mortgage executed by a com-

* This section applies to all companies—turnpike and others. See section 21, ante, applicable to railroads.

† There was another section of this law, passed in 1861, giving power to such police agent to arrest any negro on such railroad without having proper evidence of his right to be there. Repealed, (Acts 1863-6, c. 17, § 2, p. 84,) and therefore omitted.

pany on all its works and property, and there be a conveyance pursuant thereto, such sale and conveyance shall pass to the purchaser at the sale, not only the works and property of the company as they were at the time of making the deed of trust or mortgage, but any works which the company may after that time and before the sale, have constructed, and all other property of which it may be possessed at the time of the sale, other than the debts due to it. Upon such conveyance to the purchaser, the said company shall ipso facto be dissolved. And the said purchaser shall forthwith be a corporation, by any name which may be set forth in the said conveyance or in any writing signed by him and recorded in the court in which the conveyance shall be recorded.

Rights and liabilities of purchaser.

45. The corporation created by or in consequence of such sale and conveyance shall succeed to all such franchises, rights and privileges, and perform all such duties, as would have been had or should have been performed, by the first company but for such sale and conveyance; save only that the corporation so created shall not be entitled to the debts due to the first company, and shall not be liable for any debts of or claims against the said first company which may not be expressly assumed in the contract of purchase, and that the whole profits of the business done by such corporation shall belong to the said purchaser and his assigns. His interest in the corporation shall be personal estate, and he or his assigns may create so many shares of stock therein as he or they may think proper, not exceeding together the amount of stock in the first company at the time of the sale, and assign the same in a book to be kept for that purpose. The said shares shall thereupon be on the footing of shares in joint stock companies generally, except only that the first meeting of the stockholders shall be held on such day and at such place as shall be fixed by the said purchaser, of which notice shall be published for two weeks in a newspaper.

Old company subject to thirty-first section of fifty-sixth chapter.

46. The debts due to and by, and claims against the said first company mentioned in the preceding section, shall be subject to the provisions contained in the thirty-first section of the fifty-sixth chapter, and the said company, notwithstanding its dissolution aforesaid, shall, as to said debts and claims, have the power and perform the duties prescribed by that section.

Sales under decree of court; board of public works authorized to purchase for state; notice of sale.

47. A sale of the works and property of a company, made under decree of a court having competent jurisdiction, shall be held by the purchaser thereof, subject to all the provisions of the three preceding sections, so far as the same may be applicable to such sale. The board of public works shall be and are hereby authorized and directed to attend, either in person, or by agent duly appointed by said board, the sale of any work of internal improvement in which the state is a stockholder, or otherwise interested, whether such sale be made by virtue of mortgage, judgment or other lien, and that said board be authorized to purchase, on the part and for the use of the commonwealth, any such public work so offered for sale, if in the judgment of said board of public works the interest of the state would be protected or promoted thereby. No sale of any work of internal improvement, in which the state is a stockholder, or otherwise interested, shall take place, whether by virtue of mortgage, trust, judgment, decree or other lien, without ninety days' notice in the principal newspapers in the city of Richmond, and in the local newspapers of the county wherein such improvement is situated, and further, without ninety days' notice served on the board of public works of this state by the person or persons authorized to make the sale.

Reports from company to board of public works.

48. The president and directors of every company incorporated to make a work of internal improvement, to the stock of which there is no subscription by the board of public works, shall make the following reports to the board, to-wit: at the end of one year from the completion of such work, a report showing the condition of the work, the whole amount of capital expended in its construction, with the several heads of expenditure, the amount of tolls received during each preceding year, the annual expenses of the current business, and the net profit or loss; which report shall be accompanied by a plat or map of the work; and at the end of every year thereafter, a further report, showing the condition of the work, the amount and kinds of expenditures and receipts, and the net profits for such year. Where a particular form shall have been prescribed by the board of public works, and made known to the company, the report shall be in that form. In case of failure to make any such report for sixty days, the company shall forfeit one thousand dollars, unless good cause be shown for such failure.

Special reports by railroad companies.

49. Every railroad corporation in which the commonwealth is interested as a stockholder or creditor, or whose road is wholly within the state, shall make an annual report to the board of public works of its condition and the state of its affairs on the thirtieth day of September, and of the operations of its road during the year ending on that day; which report shall be verified by the oaths of its treasurer or president and acting superintendent of operations, and be filed in the office of said board by the fifteenth day of November in each year—and shall contain full information upon the several items hereinafter enumerated, to-wit:

First. As regards its capital stock: The amount as by charter; the amount subscribed by the state, and amount subscribed by others; the amount paid in by the state, and the amount paid in by others; the amount of further subscriptions on the part of the state authorized contingently. The information under this head to be so given as to show the several amounts as per last report, and the additions thereto or deductions therefrom, as the case may be, within the year.

Second. As regards its funded debt: The total amount; the time or times it will fall due; the rate or rates of interest thereon; the portion thereof due to the state. The information under this head to be so given as to show the several amounts as per last report, and the additions thereto, or deductions therefrom, as the case may be, within the year.

Third. As regards its floating debt: The total amount, stating when and for what general objects it was incurred; the amount for each of those objects; and the rate or rates of interest thereon. The information under this head to be so given as to show the several amounts as per last report, and the addition thereto, or deduction therefrom, as the case may be, within the year.

Fourth. As regards interest, the loss, if any, from the sale or disposition of bonds or other obligations at less than par, and all other expenses incurred in raising money; the total amount, stating what portion was for each of the above objects. The information under this head to be so given as to show the several amounts as per last report, and the additions thereto within the year.

Fifth. As regards the cost of the road and its equipments, also of buildings of all kinds, land, land damages and fencing, viz: For graduation and masonry; for superstructure of wooden bridges; for superstructure of iron bridges; for superstructure of the road, including iron; for water stations, including the cost of procuring water and conducting it to them; for passenger and freight stations, buildings and fixtures; for engine and car houses; for machine shops, machinery and fixtures; for all other buildings; for land, land damages and fencing; for locomotives and fixtures, and snow ploughs; for passenger and

baggage cars; for freight cars; for cars used on the repairs of the road and on construction; for engineering and agencies; for all work and property not enumerated above; the total cost of the road and equipment, as above. The information under this head to be so given as to show the several amounts as per last report, and the additions thereto within the year.

Sixth. As regards the characteristics of the road: The length of the road; the length of single track laid; the aggregate length of sidings; the length of double track laid, including sidings; the weight of the rail per yard; the total rise and fall; the maximum grade in each direction; the length of the same in each direction; the total curvature; the shortest radius of curvature, with length of line on which it occurs; such other information, in detail, in regard to grades and curves and the location of the road as the board of public works may require; the number of water stations; the aggregate length of wooden truss bridges between abutments; the aggregate length of iron bridges between abutments; the aggregate length of all other bridges between abutments; the whole length of road unfenced on both sides; the number of public roads crossed at grade; the number of railroads crossed at grade; the length of road, if any, unfinished, and estimated amount required for its completion, also what sum beyond the means already provided is required for that purpose; the length of branches owned by the company, and such information in detail in regard to them as the board of public works may require.

Seventh. As regards the equipment of the road—its depots, shops and other buildings: The number of locomotives, stating their weight; the number of passenger cars of each class, rated as eight-wheel cars; the number of baggage cars, rated as eight-wheel cars; the number of merchandize cars, rated as eight-wheel cars; the number of gravel and other cars used on repairs and on construction, rated as eight-wheel cars; the number of depots of each class; the number of engine houses; the number of machine shops; the number and character of other buildings. The information under this head to be so given as to show the several numbers as per last report, and the additions thereto within the year.

Eighth. As regards the doings of the year in transportation, and total miles run: The miles run by passenger trains; the miles run by freight trains; the miles run by gravel trains and other trains employed on construction or repairs of the road; the rate of fare charged each class of passengers per mile; the number of passengers of each class carried in cars; the aggregate number of miles traveled by each class of passengers, or number of passengers of each class carried one mile; the rate charged per ton (of two thousand pounds) for each class of freight carried in cars; the number of tons of each class of freight carried in cars; the number of miles carried, or total movement of each class of freight in miles; the average rate of speed adopted by ordinary passenger trains, including stops; the average rate of speed adopted by passenger trains when in motion; the average rate of speed adopted by express trains, including stops; the average rate of speed adopted by express trains when in motion; the average rate of speed adopted by freight trains, including stops; the average rate of speed adopted by freight trains when in motion; the estimated aggregate weight in tons (of two thousand pounds) of passenger trains, exclusive of passengers and baggage, carried one mile; the estimated aggregate weight in tons (of two thousand pounds) of freight trains, exclusive of freight, carried one mile; the estimated aggregate weight in tons (of two thousand pounds) of gravel and other trains employed upon construction and repairs and their loads carried one mile, stating separately the aggregate weight of the trains and of their loads; the average weight in tons of passenger trains, inclusive of passengers and baggage; the average weight in tons of passenger trains, exclusive of passengers and baggage; the average weight in tons of freight trains, inclusive of freight; the average weight in tons of freight trains, exclusive of freight; the average gross, also average net weight

ordinarily drawn by the different classes of locomotives when worked to their full capacity, stating the weights respectively of the locomotives and of their tenders, and the ruling grades over which they pass when thus worked; the total amount of freight in tons, viz: the product of the forest; the product of animals; vegetable food; other agricultural products; manufactures; merchandise; other articles.

Ninth. As regards the expenses for the year of maintaining the road, showing separately the portions chargeable to passenger transportation and to freight transportation; the cost of the repairs of road bed and railway (excepting the cost of the renewal of track and the repairs of the superstructure of wooden and iron bridges), viz: The cost of labor and materials, also the cost and expenses attending and consequent upon the use of engines and trains employed upon the repairs and maintenance of the road, also the repairs of such engines and trains and all items of cost connected with keeping the road in order; the length in feet of iron used in renewal of track, with weight and cost thereof, also the weight and cost of all other iron used in the renewal of track; the cost of all other materials used in the renewal of track; the cost of labor employed upon the renewal of track; the cost of the repairs of the superstructure of iron bridges; the cost of the repairs of the superstructure of wooden bridges; the repairs of buildings; the repairs of fences and gates; the taxes on real estate, the totals of the above expenses of maintaining the road. The whole of the information under this head to be so given as to show separately the cost of materials and the cost of labor.

Tenth. As regards the expenses for the year of repairing machinery: The repairs of engines and tenders; the repairs of passenger and baggage cars; the repairs of freight cars; the repairs of tools and machinery in shops; the incidental expenses, including fuel, oil, clerks and watchmen about shops. The whole of the information under this head to be so given as to show separately the cost of materials and the cost of labor.

Eleventh. As regards the expenses for the year, of operating the road, showing separately the portions chargeable to passenger transportation and to freight transportation: Office expenses, stationery, and so forth; agents and clerks; labor, loading and unloading freight; porters, watchmen and switch tenders; wood and water station attendance; conductors, baggage and brakemen; enginemen and firemen; fuel (quantity, first cost and labor of preparing for use), showing separately the quantity, and so forth, of coal, and the quantity, and so forth, of wood; oil and waste for passenger and baggage cars; loss and damage of goods and baggage; damages for injury to persons; damages to property, including damages by fire and cattle killed on road; general superintendence; contingencies; the totals of the above expenses of operating the road.

Twelfth. As regards the gross earnings, cash receipts and payments other than for construction within the year; First, gross earnings—from passengers; from freight; from carriage of the United States mail; from other sources. Second, cash receipts—from passengers; from freight, from carriage of the United States mail; from other sources. Third—payments other than for construction—for transportation expenses, viz: expenses of maintaining and operating the road and of the repairs of machinery; for interest; for dividends (stating the rate per centum, and when declared); to surplus fund; total amount of surplus fund.

Thirteenth. As regards accidents: The number of persons injured in life and limb, and the cause of the injury, and whether passengers or persons in the employ of the company, also whether caused from carelessness or negligence of any person in the employment of the company, and whether such person is retained in employ.

Fourteenth. Statements and so forth, to accompany the report, viz: A statement of the name, maker's name, dimensions and weight of each engine, together with the cost of repairs and number of miles run, and the condition

of each for the year; a statement of the number of tons of freight transported and of the number of passengers carried in each month of the year in each direction, showing separately the through freight and the through passengers in each direction, also of the aggregate amounts charged for the transportation of freight and carriage of passengers in each month of the year in each direction, showing separately the amounts charged for through freight and through passengers in each direction; and the amounts charged for way freight and way passengers in each direction; a statement of the tonnage sent from and of that received at each depot of the road in each month of the year, and also of the passengers leaving and of those arriving at each of said depots; a statement of the amount charged to construction during the year, with a distribution thereof among the several objects to which it was applied; a statement exhibiting in parallel columns—first, the gross earnings of the road during the year—second, the total expenses of maintaining and operating the road, and of the repairs of machinery, and of all other expenses chargeable to the business of the year—and third, the net revenue of the year, so distributed as to show what portion of the said "gross earnings," "total expenses," and so forth, and "net revenue," should be credited to or charged against each class of tonnage transported, and each class of passengers carried in the year, or any other services that may have been performed by the company in said year, to be followed by a brief statement of the profit or loss, as the case may be, per ton of each class of freight transported, and per passenger of each class of passengers carried in the year, and of the profit or loss, as the case may be, for any other services performed by the company in said year.

Board of public works to prescribe form of report.

50. The board of public works shall be and are hereby authorized and directed to prescribe the form or forms to be used by the several companies referred to in the preceding section, in making the annual reports required of them by the said section; and in preparing the said form or forms, the said board are hereby authorized and directed to call for any additional information that in their opinion would be necessary or useful in showing the true condition of the said companies, and the cost of transportation on their respective roads.

Reports of canal and navigation companies.

51. The several canal and navigation companies in this state shall also, on or before the fifteenth of November in each year, make a report to the board of public works of their condition and the state of their affairs on the thirteenth of September, and of their operations in the year ending on that day, in such form as the board of public works shall prescribe; and in preparing such form or forms the board of public works are hereby authorized and directed to require that the reports from the said companies respectively shall contain as full and minute information in regard to their condition, affairs and operations as is required by the preceding section in regard to the condition, affairs and operations of the railroad companies referred to in said sections.

Reports to be printed.

52. It shall be the duty of the board of public works to cause to be arranged, in tabular form, the information contained in the reports called for by the preceding sections, omitting only such details in the statement accompanying the said reports as may not be of general interest, and prepared, together with the said reports, in a single document, and have the same printed by the fifteenth day of December of the year in which the said reports are made.

Penalty for failure to make reports.

53. Any railroad, canal or navigation company referred to in the preceding sections, which shall neglect to make the report required by the said sections,

and as prescribed therein, shall be liable to a penalty of five hundred dollars, and it shall be the duty of the board of public works to sue for the said penalty in the name of the commonwealth.*

When forms to be furnished companies.

54. It shall be the duty of the board of public works to furnish each of the railroad and canal and navigation companies aforesaid, on or before the first day of September in each and every year, with at least two copies of the form or forms aforesaid.

Power of state over companies.

55. If the works of any company be not commenced and completed within the time prescribed by its act of incorporation, or if after such works be completed the company shall abandon the same, or for three successive years cease to use and fail to keep them in good repair, in each of these cases the state may either proceed by quo warranto or take possession of the works and property of such company, and in case of so taking possession shall keep the same in good repair, and have all the rights and privileges previously vested in the company. But the state shall pay the company for such work and property the value of the same at the time it takes possession thereof.

56. The tolls of every company subject to the twelfth section of the act passed on the fifth day of February, eighteen hundred and sixteen, creating a fund for internal improvement, may be reduced or augmented according to that section.

57. In the case of any company subject to the twenty-ninth or thirty-second sections of the act passed on the seventh day of February, eighteen hundred and seventeen, prescribing certain general regulations for the incorporation of turnpike companies, the board of public works may exercise such powers as are given by the said twenty-ninth section, and the commonwealth may vest such authority and have such rights as are contemplated by the said thirty-second section.

58. The charter of every company which is governed by the act passed on the eleventh day of March, eighteen hundred and thirty-seven, prescribing certain general regulations for the incorporation of railroad companies, and of every company hereafter incorporated, which shall be governed by this chapter, may be altered or modified by any future legislature as may seem to it proper, except that no law shall be passed for taking from a company its works or property without making to it just compensation, or for changing its tolls without its assent, in any other cases than such as are specially provided for in this chapter.

59. When the net profits of any company which is governed by the twenty-sixth section of the said act, passed on the eleventh day of March, eighteen hundred and thirty-seven, shall amount to a sum equal to the capital stock, with six per centum per annum interest thereon, its tolls may be fixed and regulated as prescribed by that section.

60. When the net profits of any company hereafter incorporated, which may be governed by this chapter, shall be such that, but for this section, dividends might be declared out of the said profits exceeding the rate of fifteen per centum per annum on the capital stock invested, laws may be passed for reducing the tolls of the company. But no law shall reduce the tolls so as to prevent dividends of fifteen per centum per annum, within thirty years from the time the first dividend of profits of the said company was declared, or so as to prevent dividends of twelve per centum per annum after the said thirty years and before fifty years from the same time, or so as to prevent dividends of ten per centum per annum after the said fifty years.

*In this and the preceding three sections, the word "sections" is substituted, whenever it occurs, for the word "resolutions." The sections referred to commence with the 50th section.

61. In the case of any company hereafter incorporated, which may be governed by this chapter, if, after thirty years from the time the first dividend of profits of such company was declared, the state chooses, it may have the works, and all the property, rights and privileges of such company, on paying therefor, at the least, the amount of capital paid in, and over and beyond that, such sum as, with the dividends which the stockholders may have received out of the profits of the company, will give them, on the capital paid in, the following net profit, from the time of payment thereof by the stockholders, to the time the state makes such payment, to-wit: a net profit of fifteen per centum per annum to the expiration of the said thirty years; a net profit thereafter of twelve per centum per annum until the state makes such payment, if that be within fifty years from the said first dividend, and if it be not, then until the end of the said fifty years; and afterwards, a net profit of ten per centum per annum until the state makes such payment.

* * * * *

68. Nothing in this act shall be so construed as to repeal, alter or modify any special act now in force authorizing any county, city or town to subscribe to works of internal improvement.

Subscriptions to railroad and canal companies may be made in land; power of company over the land.

69. Hereafter it shall be lawful for any railroad or canal company, which may be projected or in process of construction, to receive land in lieu of money in payment of subscriptions to the unsubscribed capital stock thereof, which land may be received by said company in payment of such subscriptions at such valuation as may be agreed upon between said company and the party desiring to make such payment.

70. Such companies may receive and hold any real estate which may be thus conveyed to them in payment of subscriptions to the unsubscribed capital stock thereof, and may sell, lease, mortgage and encumber the same in such manner as said company may deem best.

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